CITY & COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

SPECIAL MEETING
TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

November 18, 2009 – 4:00 P.M.

Pavilion by the Bay
291 Avenue of the Palms
Treasure Island

Gavin Newsom, Mayor

DIRECTORS

Owen Stephens, *President*
Claudine Cheng
Jean-Paul Samaha
Helen Nigg, *Secretary*
Supervisor Chris Daly *(Ex-Officio)*
John Elberling, *CFO*
John Rahaim
Douglas Shoemaker

Mirian Saez, Director of Island Operations
Peter Holm, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. POSSIBLE CLOSED SESSION
If approved by the TIDA Board, this Closed Session item will take place for approximately 30 minutes at the beginning of the meeting

   a. Public Comment on all items relating to closed session

   b. Vote on whether to hold closed session to confer with real property negotiators and legal counsel. *(Action item)*

   (1) CONFERENCE WITH REAL PROPERTY NEGOTIATORS
   (Discussion Item)

Persons negotiating for the Authority: Jack Sylvan, Michael Tymoff
Persons negotiating with the Authority: United States Navy, Treasure Island Community Development LLC,
Property: Former Naval Station Treasure Island
Under Negotiation:
Price: _____ Terms of payment:_____ Both: X

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION *(Discussion Item and Action Item)*
Discuss attorney client privileged matter with legal counsel pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d) (1 case)

- *Anticipated Litigation*
  As defendant: __X__ As plaintiff: _____ As both: __

Discussion and possible approval of the settlement of anticipated litigation threatened by Redwood Shore Diving, Inc., a California corporation, doing business as Parker Diving Service ("Parker"), whereby Parker is demanding payment for services allegedly performed in connection with the sunken tugboat Wenonah at Pier 1, Treasure Island. Proposed settlement of claim upon terms which include the Authority paying Parker $114,794 in exchange for Parker's full and final release of claims.

c. Reconvene in open session *(Action item)*
i. Possible report on action taken in closed session under Agenda Item 10 (Government Code Section 54957.1 (a) (1) and San Francisco Administrative Code Section 67.12)
ii. Vote to elect whether to disclose any or all discussions held in closed session *(San Francisco Administrative Code Section 67.12).*

3. Reports
   a. Report by Director of Island Operations (*Discussion Item*)
   Estimated Length of Item: 5 minutes

   b. Report by Office of Economic & Workforce Development (*Discussion Item*)
   Estimated Length of Item: 10 minutes

   c. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board *(Discussion Item)*
   Estimated Length of Item: 5 Minutes

4. Communications (*Discussion Item*)
   Estimated Length of Item: 5 minutes

5. Ongoing Business by Directors

6. General Public Comment (*Discussion Item*) ******In addition to General Public Comment, Public Comment will be held during each item on the agenda.******
Estimated Length of Item: 10 minutes

7. **CONSENT AGENDA**
Estimated Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a. Approving the Minutes of the October 14, 2009 Meeting *(Action Item)*

b. Resolution Authorizing Settlement of the Lawsuit Filed by Curtis F. Dowling, Sr. Against the City and County of San Francisco et al for $25,000 *(Action Item)*

c. Resolution Approving Amended Minimum Monthly Rental Rate Schedule and Renewals for 2010 *(Action Item)*

d. Resolution Approving and Authorizing the Execution of a Sublease with Monica Hobbs Catering for Quarters 1, Yerba Buena Island *(Action Item)*

e. Resolution Approving and Authorizing the Director of Island Operations to Enter into a Utilities Services Contract with the US Coast Guard *(Action Item)*

f. Resolution Approving and Authorizing the Execution of a Second Amendment to Sublease No. 98 with the Treasure Island Homeless Development Initiative, a California nonprofit corporation, Toolworks, a California nonprofit corporation, and Wine Valley, Inc., a California corporation, for Parcel A: Casa de la Vista; Parcel B: Building 265 (the Library); Parcel C: The Chapel; Parcel D: Fogwatch Picnic Area; Parcel E: Lobby of the Main Administration Building (Building 1); and Parcel F: Pavilion By The Bay, Treasure Island. *(Action Item)*

8. Resolution Approving and Authorizing the Execution of a Sublease with Bay Ship and Yacht Co., a California corporation for Parcel A: approximately 1,890 linear feet of berthing space located at Pier One; and Parcel B: approximately 95,000 square feet of Pier space located at Pier One, Treasure Island. *(Action Item)*
Presented by Rich Rovetti, Treasure Island Development Authority
Estimated Length of Time: 10 Minutes

9. Discussion of Future Items by Directors

10. Adjourn

The Treasure Island Development Authority Board of Directors and the Director of Island Operations invite the public to attend a reception immediately following adjournment of the meeting in the Pavilion by the Bay, 291 Avenue of the Palms, Treasure Island.

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, 410 Ave. of Palms, San Francisco, CA 941130 during normal office hours.

Disability Access

The Treasure Island Development Authority is holding this special meeting at the Pavilion by the Bay, 291 Avenue of the Palms, Treasure Island, San Francisco, CA. The Pavilion is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) **at least 72 hours** prior to the meeting to help ensure availability.

MUNI bus line serving the area is the 108. Accessible curbside parking is available on Avenue of the Palms. For more information about MUNI accessible services, call 923-6142. For those persons requiring driving information, please call Peter Holm, Commission Secretary, at 274-0300

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Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE
(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, http://www.sfgov.org

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-4603

GAVIN NEWSOM
MAYOR

GEORGE GASCÓN
CHIEF OF POLICE

November 2, 2009

Ms. Mirian Saez
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics – October 2009

Dear Ms. Saez:

There were eighteen incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of October 2009. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Daniel.Mcdonagh@sfgov.org if you have any questions.

Sincerely,

Daniel McDonagh
Captain – Southern Station

By: _____
Officer Louis Glaser
Southern Station
(415) 553-7959

ATTACHMENT A

OCC. DATE	REP. DATE	LOCATION	TYPE	COMMENTS	CASE NUMBER
10/1/09	10/1/09	Address withheld	Battery, Dating relationship	Arrest made	091012216
10/1/09	10/1/09	1200 blk northpoint St.	Suspicious Occurrence		091014018
10/2/09	10/2/09	Clipper Cove	Terrorist Threats	Suspect Known	091018587
10/2-10/5/09	10/5/09	13th St. @ Av E	Malicious Mischief	Suspect Unknown	091027287
10/4/09	10/4/09	Address withheld	Missing Juvenile		091024302
10/4/09	10/4/09	Address withheld	Found Juvenile		091024302
10/4/09	10/4/09	1200 blk Mariner Dr.	Terrorist Threats,Fighting	Arrest made	091021792
10/6/09	10/6/09	9th St. @ Av B	Assault Aggravated	Arrest made	091032509
10/9/09	10/9/09	Address withheld	Assault Aggravated,DV	Arrest made	091043142
10/10/09	10/10/09	900 blk Av N	Theft, From locked vehicle	Suspect Unknown	091048120
10/10/09	10/10/09	Av N @ 10th St.	Recovered Vehicle	Unfounded	091048261
10/15/09	10/15/09	13th St. @ Av E	Robbery, W/gun	Suspect Unknown	091066279
10/17/09	10/17/09	Address withheld	Mental Health Detention		091071159
10/18/09	10/18/09	1400 blk Halibut Cr.	Death report, Cause Unknown		091075913
10/22/09	10/22/09	13th St.Playground	Dog, Bite or attack	1 Cited	091090284
10/18-10/19	10/22/09	13th St. playground	Malicious Mischief, Graffiti	Suspect Known	091090836
10/19/09	10/22/09	3rd St. @ Av D	Robbery, Att,W/gun	Suspect Unknown	091089594
10/25/09	10/25/09	Gateview Av @ 13 St.	Robbery, Wth/force	Suspect Unknown	091098476

Part 1 Crimes October, 2009

Assult 3	Robbery 3	Homicide	Arson	
Burglary	Sex Offenses	Vehicle Theft	Larceny 1	Total 7

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TO: Mayor Gavin Newsom

CC: Steve Kawa, Chief of Staff
Ed Lee, City Administrator
Amy Brown, Deputy City Administrator and Director of Real Estate

FROM: Mirian Saez, Director of Island Operations

RE: Treasure Island Informational Update

DATE: October 31, 2009

Quality of Life Issues

- ***San Francisco Police Commission on Island Meeting*** - On September 30, 2009 the San Francisco Police Commission hosted its monthly community meeting at the Casa de la Vista, on the Island. This was the very first Police Commission meeting ever to be hosted on the Island. Residents, TIDA staff, Housing Providers, and community groups attended the meeting to compliment the San Francisco Police Department and the command staff of Southern Station for their work on the Island and for being willing to adapt community policing to meet the needs of the Island. Residents requested that more attention and service be given to the youth of the Island.
- ***Car Wash Reopens*** - The Treasure Island residential car wash reopened. Previously the car wash was located on California Avenue which was not convenient for the residents, and was frequently being utilized by non-Island residents. Due to the Navy's requirement that dirt and detergents not enter the bay without being treated, TIDA had to provide a car wash facility where the water can be treated. The new facility is located on Avenue M and 10th Street.
- ***Crime Down*** - For the third consecutive month in a row the crime stats for the Island have declined. September's crime stats listed 12 police reports generated with only 7 Part One crimes. While all other Part One Crimes were down there is an increase in larceny.
- ***Head Start*** - On Thursday, October 22, 2009, San Francisco State's Head Start Program gave notice that they did not receive federal funding to operate the child development center on Treasure Island for 2010, and therefore would be terminating operations on Treasure Island, December 31, 2009. TIDA, the Treasure Island Homeless Development Initiative (TIHDI) and the Department of Children Youth and their Families (DCYF) are exploring other options.
- ***Bay Bridge Closure*** - Tuesday October 27, 2009, when a metal enforcement plate and steel cable fell onto the Bay Bridge necessitating a closure of the Bridge. TIDA staff worked with the California Highway Patrol (CHP), Caltrans, and San Francisco Police Department (SFPD) to insure the residents had access to the Island. While initially there was some confusion over access to the Island, all agencies worked to restore the west span of the bridge for residents, commercial tenants, special events and schools, and maintain municipal services.

Memo to Mayor Gavin Newsom
Treasure Island Development Authority
October 31, 2009

Lease Update

Lev's Kitchen – a small independent business that produces Kambucha Tea, utilizing the kitchen at the old Navy Brig was chosen to be a vendor by Whole Foods. This contract quadruples his production.

Yerba Buena Beverages - a small family owned business, located in the Navy Brig, has begun production of its China Beach vodka. The label was designed by an San Francisco Art Institute student and is an homage to San Francisco's China Beach.

Highlights of the Month

Returning Events

The San Francisco International Dragon Boat Festival

- September 26 and 27, 2009 - This year's Dragon Boat Festival hosted more participants and guests than previous years. Event organizer estimate that there were over 50,000 guests who attended the free two day event. While this was the 13th year for the festival, this was its fifth year on the Island.

The Alzheimer's Memory Walk

- October 10, 2009 – Returning to Treasure Island for its 11th year, the Memory walk which took place early the Saturday morning of Fleet Week, had over 5000 participants, many of whom stayed on to watch the Fleet Week festivities.

Oracle, *One World*, Employee Appreciation Event

- October 14, 2009 – Oracle once again managed to transform Treasure Island into a wonderland. Over 30,000 employees and customers rocked out to Aerosmith, Roger Daltry, and Three Dog Night. TIDA directly received six complaints from Island residents as well as Sausalito residents regarding the amplified music and the duration of the event, which did not end until 1:30 a.m. The amplified sound permit was issued by the Entertainment Commission.

The Third Annual Treasure Island Music Festival

- October 17, and 18, 2009 - Another Planet and Noise Pop Entertainment hosted the most successful Treasure Island Music Festival to date. Saturday's show was sold out and Sunday's show was nearly sold out. The Festival was well organized.

New Events

American Lung Association Clean Air Walk

- September 26, 2009 – The walk took more than 300 participants around the Island and raised over $71,640 for the American Lung Association.

Treasure Island Lodi Wine Festival

- October 11, 2009 – TIDA and the Lodi Wine Grape Commission partnered together for the first annual Treasure Island Wine Festival. The Wine Festival had over 34 wineries and vendors and 1600 guests in attendance.

Future special events

Ghost Ship – October 31, 2009
Safeway Foundation Annual Gala and Fundraiser – November 14, 2009

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: **Treasure Island Development Authority Board of Directors**

From: **Mirian Saez, Director of Island Operations**

Date: **November 13, 2009**

Re: **Use Permit and Film Permit Waivers and Reductions**

The following waivers and reductions were granted for short-term Use Permits and Film Permits between October 10, 2009 and November 13, 2009

Waivers:

- San Francisco Sheriffs Department – YBI Quarters 240 and 62 – October 8, 2009
- San Francisco Sheriffs Department – YBI Quarters 240 and 62 – October 15, 2009
- Oakland Police Department – YBI Quarters 240 and 62 – October 20, 2009
- Open4Business Productions – Exterior locations at Avenue I & 13th Street and Avenue H & 4th Street – October 30, 2009
- Open4Business Productions – Exterior location at California Avenue and Avenue of Palms and Avenue H & 4th Street – November 3, 2009

Reductions:

- Toll Bridge Program Oversight Committee – Casa de la Vista – October 16, 2009
- ITSI – Casa de la Vista – October 20, 2009
- Urban Land Institute – Casa de la Vista – November 4, 2009
- United States Secret Service – Treasure Island Library – November 6, 2009

Expenses	TIDA Approved 09-10	FY 09-10 Actuals	FY 09-10 Balance
11/18/09- DRAFT TIDA OPERATIONS EXPENSES			
ADMINISTRATION			
MISC-REGULAR (Salaries)	Under GSA's Budget		
RETIRE CITY MISC FRINGE BENEFITS	Under GSA's Budget		
TIDA INTERNSHIP PROGRAM	$15,000	9,292	5,708
TRAVEL COSTS	$5,000	0	5,000
TRAINING COSTS	$10,000	884	9,116
LOCAL FIELD EXP	$750	682	68
MEMBERSHIP FEES	$4,000	0	4,000
PROMOTIONAL AND MARKETING EXPENSE	$20,000	2,296	17,704
DELIVERY & POSTAGE	$15,000	5,115	9,885
OFFICE RENTALS & LEASED EQUIPMENT	$13,000	1,602	11,398
OFFICE MATERIALS & SUPPLIES	$16,000	678	15,322
OTHER CURRENT ADMINISTRATIVE EXPENSES	$33,000	791	32,209
TOTAL ADMINISTRATION	**$131,750**	**21,340**	**110,410**
PROFESSIONAL & SPECIALIZED SERVICES			
TREASURE ISLAND BOYS & GIRLS CLUB HOUSE	$140,000	22,570	117,430
KIDANGO	$50,000	44,213	5,787
TIHDI-OPERATING CONTRACT	$175,000	29,623	145,377
TIHDI-CHILDCARE FACILITY OPERATIONS	$0	17,200	37,196
TI GYM OPERATIONS YMCA	$150,000	0	150,000
MARINE SALVAGE	$20,000	8,317	11,683
GGEA -PUBLIC ART HISTORICAL PRESERVATION	$40,000	23,982	16,018
SCAVENGER SERVICES (GOLDEN GATE DISPOSAL)	$25,000	3,930	21,070
JANITORIAL SERVICES (Toolworks)	$108,000	18,000	90,000
GROUNDS MAINTENANCE RUBICON	$675,000	175,753	499,247
TIDA DIRECTOR'S LIABILITY INSURANCE	$45,000	0	45,000
OTHER PROFESSIONAL SERVICES	$40,000	28,069	11,931
TOTAL PROFFESSIONAL & SPECIALIZED SERVICES	**$1,468,000**	**371,658**	**1,150,738**
CITY DEPARTMENT WORK-ORDERS		**FY 09-10 Encumbered Amounts**	
DEPARTMENT OF PARKING AND TRAFFIC	$15,000	20,000	0
CONTROLLER'S OFFICE	$25,000	25,000	0
DTIS SERVICES (AAO)	$38,000	40,223	0
DEPARTMENT OF BUILDING INSPECTION	$10,000	10,000	0
RISK MANAGEMENT INSURANCE CONSULTING	$8,000	8,000	0
GENERAL SERVICES AGENCY	$1,202,592	1,068,130	0
GF-CITY ATTORNEY-LEGAL SERVICES (AAO)	$200,000	200,000	0
GF-HR-MGMT TRAINING (AAO)	$3,000	3,000	0
IS-PURCH-CENTRAL SHOPS-AUTO MAINT (AAO)	$13,000	13,000	0
IS-PURCH-CENTRAL SHOPS-FUEL STOCK (AAO)	$3,500	3,500	0
IS-PURCH-REPRODUCTION (AAO)	$20,000	20,000	0
GF-PUC-HETCH HETCHY (AAO) ($650,000 Utility Bills, 135,000 Generators, $200,000 MOU)	$985,000	985,000	0
SR-DPW-BUILDING REPAIR (AAO)	$1,187,608	475,159	0
FACILITIES MANGEMENT SERVICES	$0	794,037	0
SR-DPW-SPECIAL SERVICES ENGINEERING	$0	29,056	0
SR-DPW-BUREAU OF STREET ENVIRONMENTAL SERVICES	$48,470	48,470	0
SR-DPW-BUREAU OF STREETS AND SEWER REPAIR SERVICES	$80,263	80,263	0
SR-DPW-BUREAU OF URBAN FORESTRY SERVICES	$175,000	175,000	0
SR-DPW-BUREAU OF OPERATIONS	$109,824	Classified under BBR	0
SPECIAL CAPITAL IMPROVEMENT PROJECTS	$425,710	245,646	180,064
TOTAL CITY DEPARTMENT WORK-ORDERS	**$4,549,967**	**4,243,484**	**180,064**
SUBTOTAL OPERATIONS EXPENDITURES			
SURPLUS AVAILABLE FOR DISTRIBUTION TO GENERAL FUND			
PROTECTIVE SERVICES SFFD & SFPD	**$4,014,548**	**4,140,253**	**0**
TOTAL OPERATIONS EXPENDITURES	**$10,164,265**	**8,776,734**	**1,441,212**

TIDA 2009-10 REVENUE SOURCES 11/18/09	FY 09-10 TIDA Board Approved Budget	FY 09-10 TIDA Deposits as of 11/18/09	Balance	Percentage
Joint Venture Special Events	$457,355.00	$165,069.83	$292,285.17	36.09%
TIDA Special Events Revenues	$194,000.00	$72,972.40	$121,027.60	37.61%
TI Commercial Revenues	$1,654,800.00	$573,687.52	$1,081,112.48	34.67%
Film Revenues	$20,000.00	$4,500.00	$15,500.00	22.50%
YBI Filming/Cellsites/ Banner Revenues	$328,940.00	$137,063.31	$191,876.69	41.67%
Maritime Revenues	$102,730.00	$49,957.50	$52,772.50	48.63%
John Stewart Company Housing Revenues	$5,702,840.00	$2,001,644.90	$3,701,195.10	35.10%
John Stewart Company Housing CAM Revenues	$339,600.00	$170,253.50	$169,346.50	50.13%
SFFD Training Academy	$814,000.00	$800,000.00	$14,000.00	98.28%
Carryforwards	$550,000.00	$0.00	$550,000.00	0.00%
Grand Totals	**$10,164,265.00**	**$3,975,148.96**	**$5,639,116**	**39%**

Category:	November 2009		
Event Date	**Event #**	**Venue(s)**	**Event Name**
November 1 - 30, 2009	E-043	Nimitz House	Monica Hobbs Catering
Nov. 9 - 17, 2009	E-020	Great Lawn	Safeway Foundation gala dinner

	November	TYPE	LOCATION	EVENT	START	END	GUESTS	
[redacted]								
Sat	07 Nov 09	Wedding	Casa de la Vista	John Allen & Roxanna	3pm	11pm	100	Nate
Sat	07 Nov 09	Wedding	Pavilion	Donna Pascua	6pm	1am	200	Lynn
Sat	14 Nov 09	Wedding	Casa de la Vista	Nancy				
[redacted]								
Sat	21 Nov 09	Bat Mitzvah	Casa de la Vista	Imelda Oppenheim	11am	7pm	160	
Sat	28 Nov 09							

Treasure Island Development Authority
Subleases and Permits Executed
Pursuant To Leasing Policy
As of November 13, 2009

Location / Facility	Agreement Number	Leasehold Status (new / expired)	Company Name / Prospective Subtenant	Commencement Date	Leasehold Type	Sq. Ft.	Monthly Rent	Comments
Avenue M and 4th Street, Avenue E and 13th Street	P-200	New	Open4Business Productions	10/30/09	Film Permit	N/A	Waived	"Trauma" production
Avenue N and Avenue M between California Ave and 13th Street	P-203	New	Steakhaus Productions	11/4/09	Film Permit	N/A	$1,500.00	Music video production
Building 201	192	New	Canning Electric	9/21/09	Storage	1,168	$275.00	executed
Building	191	New	TIHDI	9/16/09	Day Care	PA: 10,123 PB: 33,977	$700.00	executed
Building 216	188	New	Mark Demma	9/1/09	Storage	680 sf	$100	executed
Building 183	186	New	Lazaro Najera, DBA Discovery Carpet and Flooring 415-531-8324	10/23/09	Storage	PA 1,197 PB 1,155	$1,000.00	executed
Building 258	184	New	W. Wong Construction	9/11/09	Storage	25,300	$2,600.00	executed
Building 264	198	New	Minilab factory usa	11/1/09	Storage	2,100	$1,000.00	executed

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GAVIN NEWSOM, MAYOR

NOTICE OF MEETING CANCELLATION

Please note that the November 3d, meeting of the Treasure Island/ Yerba Buena Island Citizens Advisory Board (CAB) has been cancelled.

The next meeting is scheduled for December 1st, 2009, at 6:00 at San Francisco City Hall, room 305. 1 Dr. Carlton B. Goodlett Pl, San Francisco, Ca, 94102

Please contact Andrea Bruss at (415)554-6661 with any questions.

MEETING AGENDAS AVAILABLE ON E-MAIL

If you would like to receive TICAB meeting agendas by e-mail, please send your name and e-mail address to TICAB@sfgov.org.

Disability Access

The Treasure/Yerba Buena Island Citizen Advisory Board meets on Treasure Island in Building 442, City Hall, 1 Dr. Carlton Goodlett Place or at the San Francisco Redevelopment Agency. All buildings are accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 or 274-0660 at least 48 hours before a meeting.

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The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.

JOHN STEWART COMPANY

MEMORANDUM

To: Mirian Saez, Director of Operations, Treasure Island Development Authority

cc: Marc McDonald, TIDA; John Stewart, JSCo; Paula Schlunegger, JSCo; Suzanne Wood, Edison Capital; Loren Sanborn, JSCo; Lynny Lee, JSCo; Ned York, JSCo; Connie Le, JSCo; Jack Gardner, JSCo

From: Michael Smith-Heimer

Date: October 20, 2009

Subject: **Percentage Rent for Treasure Island Housing Project Sublease for September 2009**

Enclosed is our payment of Percentage Rent in the amount of 554,150 for the September period, calculated per the sublease agreement. This figure is based on the accompanying attachments. You should note that these expenses include funding reserves as outlined in the sublease requirements including accrued funds to pay Possessory Interest charges of the property.

Calculation of Funds Available for Distribution

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted in the period that the reserve draw is approved.

For the month of September 2009, Actual Total Revenues were above Budgeted Total Revenues by about 8% while Actual Total Operating Expenses were below Budgeted Total Operating Expenses by about 6.56% (due to lower replacements). The result was that Funds Available for Distribution were about 26.7% above budget.

Calculation of Percentage Rent

Based on operations, a total of 583,316 in adjusted Gross Revenues after costs of operations are available for distribution for the September period. These revenues are distributed as follows:

September 2009 Distributions	Actual	Budgeted
Available for Distribution	$583,316	$460,405
Percentage rent for TIDA	$554,150	$437,385
Percentage rent reimbursed to JSCo for Playground Construction	0	
Total percentage rent to TIDA	**$554,150**	$437,385
Percentage rent for JSCO	$29,166	$23,020

This percentage rent breakdown reflects the current year split by TIDA/JSCo. Beginning with April 2005 disbursements, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
September 2009 Operations for Treasure Island Project

DRAW	Draw 116	Draw 117	Draw 118	Draw 119	Draw 120	Draw 121	Draw 122	Draw 123	Draw 124	Draw 125	Draw 126	Draw 127	128
Units ready for occupancy at Beginning of month	578	578	578	578	578	578	578	578	578	578	578	578	578
Units Leased and Occupied during month													
Aggregate Units Leased and Occupied during month	540	538	536	529	531	531	538	529	534	518	498	485	431
Average Unit Rent													
	September	October	November	December	January	February	March	April	May	June	July	August	September
DISBURSEMENT OF REVENUES (Per Sublease Agreement)	September 2008 Actuals	October 2008 Actuals	November 2008 Actuals	December 2008 Actuals	January 2009 Actuals	February 2009 Actuals	March 2009 Actuals	April 2009 Actuals	May 2009 Actuals	June 2009 Actuals	July 2009 Actuals	July 2009 Actuals	July 2009 Actuals
Adjusted Gross Revenue	1,122,437	1,118,993	1,113,124	1,127,226	1,102,529	1,110,837	1,111,449	1,120,351	1,117,859	1,108,464	1,107,351	1,091,303	1,103,204
Less Base Rent	-46,230	-46,230	-46,230	-46,230	-46,230	-46,230	-46,230	-46,630	-46,630	-46,636	-46,636	-46,636	-46,636
Less Operating Expenses	-411,117	-484,509	-401,603	-453,850	-417,243	-392,427	-411,232	-498,452	-409,227	-538,901	-423,141	-422,903	-402,943
Less CAM Charge	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242
Less Replacement Reserve Funding	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560
Management Fee	-32,596	-32,530	-33,710	-32,397	-34,139	-33,218	-33,104	-36,373	-32,615	-32,109	-32,725	-34,030	-30,508
Less Marketing Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	-529,745	-607,076	-521,405	-572,278	-537,413	-511,677	-530,368	-621,263	-528,479	-657,448	-542,305	-543,421	-519,609
Revenues Net of Operating Expenses	592,692	511,916	591,719	554,947	565,116	599,220	521,081	499,088	589,379	451,016	565,046	547,882	583,316
Ledger Reduction for Period													
Accretion for Period													
Adjustment for Actual Accretion in May ($36,866 vs. $23,699)													
Adjustment for Actual Accretion in June ($23,699 vs. $10,947)													
Adjustment to Reconcile Parenting Interest thru June 2008													
Developer Fee (fee based on Amendment 2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Allowable Construction Costs													
Total Expenses for Construction and Ledger Account Activities													
Revenues Remaining for Distribution in Percentage Rent	592,692	511,916	591,719	554,947	565,116	599,220	521,081	499,088	589,379	451,016	565,046	547,882	583,316
TIDA Share of Revenues (Percentage Rent)	-503,058	-480,321	-502,133	-527,200	-536,860	-569,259	-495,027	-474,134	-559,910	-428,405	-537,299	-491,993	-554,150
JSCo Share of Revenues (Percentage Rent)	-29,634	-25,595	-28,586	-27,747	-28,256	-29,961	-26,054	-24,954	-29,469	-22,551	-28,277	-25,894	-29,166
Total Percentage Rent Disbursed	-592,692	-511,916	-591,719	-554,947	-565,116	-599,220	-521,081	-499,088	-589,379	-451,016	-565,546	-517,882	-583,316
Ending Balance Gross Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
September 2009 Operations for Treasure Island Project

DRAW	Draw 116	Draw 117	Draw 118	Draw 119	Draw 120	Draw 121	Draw 122	Draw 123	Draw 124	Draw 125	Draw 126	Draw 127	128
Units ready for occupancy at Beginning of month	578	578	578	578	570	578	578	578	570	578	578	578	570
Units Leased and Occupied during month													
Aggregate Units Leased and Occupied during month	540	530	530	520	531	531	538	529	524	518	498	485	431
Average Unit Rent													
	September	October	November	December	January	February	March	April	May	June	July	August	September
REVENUE FROM OPERATIONS													
Estimate of Gross Revenue	1,139,334	1,140,521	1,141,429	1,143,658	1,145,730	1,147,181	1,149,408	1,150,472	1,155,338	1,158,271	1,179,835	1,158,409	1,166,526
Adjustment for Move-in Timing	-20,300	-22,182	-35,774	-31,984	-48,501	-49,088	-43,835	-43,427	-47,663	-61,570	-83,284	-110,182	-77,410
Financial Income (inc. marketing from Sept. 2009 onward)	1,054	3,268	565	1,623	527	737	1,864	552	428	1,211	788	836	654
Credit Check Revenue													
Other Revenue	8,410	2,389	8,594	13,848	3,233	12,007	3,992	12,743	8,557	19,538	10,512	12,241	12,234
Gross Revenue Collected	1,122,437	1,118,990	1,113,124	1,127,286	1,102,029	1,110,677	1,111,449	1,120,361	1,117,658	1,116,454	1,107,851	1,061,303	1,102,304
EXPENSES FROM OPERATIONS													
6300 ADMINISTRATIVE EXPENSES													
6210 Advertising/Marketing	1,433	3,154	1,415	1,327	2,782	2,255	1,333	2,367	0,235	1,761	1,174	1,214	4,885
6250 Credit Reports	1,052	1,604	1,258	1,100	794	1,482	1,508	1,547	1,339	848	1,862	1,482	1,853
6287 Model Unit/Office TI	279	-2,592	-43	0	0								
6310 Office Salaries	22,390	21,527	21,250	20,007	21,137	19,630	21,961	20,752	21,851	22,508	23,737	24,029	18,885
6311 Office Supplies	3,223	8,144	2,553	3,005	4,912	4,643	6,440	4,970	6,705	3,637	0,375	6,032	3,022
6315 Furniture Lease													
6316 Consulting Expense													
6319 Office Supplies Environmental													
6320 Management Fee	32,590	32,530	33,710	32,397	34,139	33,210	33,104	30,373	32,815	32,109	32,726	34,050	30,508
6326 Temporary Services				0	0								0
6330 Manager/Supervisor	6,101	5,018	5,358	0,265	5,657	5,250	5,013	5,625	5,912	5,625	5,813	5,812	5,250
6331 Staff Units	2,768	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
6333 Payroll Suspense													
6340 Legal Expenses	5,592	4,059	2,954	6,555	2,104	1,558	7,527	1,778	2,890	-604	838	5,393	3,391
6341 Legal Environmental													
6350 Audit Fee/Bookkeeping				0	1,500		20,593	0	1,710	0	0	0	
6360 Telephone	1,756	2,454	1,712	1,750	1,960	2,021	1,759	2,329	1,517	1,722	1,872	1,050	1,653
6370 Collection Loss		19,219	394	394	-60		60	0		33,768	6,715	-20	-200
6390 Miscellaneous Administrative	-42	3,300	114	638		-1	258	1,032	0		2,800	774	1,035
6385 Mileage/Travel	1,523	1,800	1,047	-158	1,015	145	940	843	1,181	1,070	619	722	1,567
6386 Vehicle Lease & Insurance													
6392 Seminars/Training				100			1,110	185					
6393 Temporary Services													
6394 Community Outreach													
6395 Administrative Services													
6396 Computer Charges	465	105	232	103	705	3,148	3,610	700	709	697	2,037	165	165
6398 Rent Credits													
Remediation Expense				0	0								
Subtotal: Administrative Expenses	79,315	92,875	75,170	84,155	79,423	75,350	108,649	81,336	85,423	103,541	89,273	84,554	74,350
UTILITIES													
6450 Subtotal: Utilities	147,186	147,603	147,186	147,186	147,186	147,186	147,186	147,186	147,186	147,186	151,428	148,537	126,873
6589 Navy CAM Charge	29,242	29,242	29,242	29,242	29,242	29,242	29,242	29,242	29,242	29,242	29,242	29,242	29,242
6500 OPERATING AND MAINTENANCE													
6510 Janitorial Payroll													
6515 Janitorial Supplies	380	1,113	633	83	251	380	347	560	83	1,097	138	1,002	1,650
6517 Contract Cleaning	720	-3,080	450	110	010	1,130	850	600	800	2,740	1,650	1,960	950
6519 Exterminating/Supplies	1,325	1,595	1,200	3,770	1,290	1,070	150	2,020	150	2,075	1,320	2,190	1,430
6521 Operation/Maintenance Rent Free Unit	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825
6525 Rubbish Removal	17,709	21,843	7,988	18,744	15,310	20,342	17,940	17,703	17,794	21,589	14,001	23,623	18,109
6530 Security Contract	8,757	0,383	8,307	9,065	7,154	7,229	9,209	8,024	8,188	9,093	11,272	7,509	12,428
6532 Security Supplies	1,504	3,613	104	3,773	1,103	833	3,348	252	510	4,459		2,734	3,799
6533 Fire Alarm Expenses	-471		209	0	104	499	700	1,560	0	705	5,020	0	1,047
6536 Maintenance Contracts													
6535 Grounds Payroll													
6538 Grounds Supplies													
6537 Grounds Contract	44,774	38,199	38,199	38,199	38,199	38,199	38,199	42,105	38,449	38,709	37,767	37,175	38,644
6519 YBI Maintenance Payroll													
6510 Maintenance Payroll	19,508	14,389	10,282	19,504	17,470	15,503	17,499	20,101	21,014	19,124	18,446	18,782	14,657
6541 Repairs Material	4,549	8,030	1,201	-121	4,085	4,908	3,880	13,693	7,382	5,928	5,653	3,928	6,507

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
September 2009 Operations for Treasure Island Project

DRAW	Draw 116	Draw 117	Draw 118	Draw 119	Draw 120	Draw 121	Draw 122	Draw 123	Draw 124	Draw 125	Draw 126	Draw 127	128
Units ready for occupancy at beginning of month	578	578	578	578	578	578	578	578	578	578	578	578	578
Units Leased and Occupied during month													
Aggregate Units Leased and Occupied during month	540	538	530	529	531	531	538	529	524	518	498	485	431
Average Unit Rent													
	September	October	November	December	January	February	March	April	May	June	July	August	September
6542 Repairs Contract	2,507	435	1,210	4,370	7,354	3,935	4,360	75	1,075	11,468	4,980	7,590	5,034
6543 Plumbing Maintenance (includes $618 EOY adjustment in December, 200	15,714	13,974	18,054	10,003	5,643	3,452	23,363	11,071	0	11,216	6,757	8,403	11,035
6544 Electric Maintenance	770	279	2,509	1,002	597	1,002	2,371	2,220	928	1,170	2,004	-10	3,280
6545 Elevator Maintenance									0				
6546 Heating and Cooling (includes $291 EOY adjustment in December, 2004)	179	3,922	1,988	3,051	971	248	2,022	2,713	0	294	0	235	548
6548 Payroll Environmental													
6549 Repair Material Environmental			4,750	0				978	3,850		0		
6553 Appliance Repairs	4	835	85	0	1,158			850		1,053	807	275	1,368
6554 Windows Repairs													
6555 YM Maintenance Repair													
6560 Painting and Decorating (includes adj for August 2007)	2,109	7,383	1,900	19,990	6,481	3,094	1,012	-1,244	1,062	3,680	4,413	1,882	2,855
6562 Roof Repairs/Contract													
6565 Furniture rent - Temp Relocation													
6570 Vehicle Lease	1,960		810	159	016	1,514	205			325	0		197
6572 Maint and Equipment Repair (includes $769 EOY adjustment in Dec)													
6590 Misc. Oper and Maintenance	288			0	0			732		0	0		2,744
6573 Uniforms/Laundry Service				0	150	50	41	850			1,577	372	
6595 Fire Damage Costs													
7230 Interior Replacement (eligible for RR Draw)	33,285	40,215	34,784	8,732	10,576	17,039	18,472	95,599	23,793	50,827	39,125	32,948	32,779
7220 Appliance Replacement (eligible for RR Draw) (includes $2,100 EOY adj i	6,471	6,056	14,842	4,707	6,984	7,711	10,889	13,768	4,362	30,924	498	11,088	12,404
7200 Relocation Expense		-32.5								330			
7240 Exterior Replacement (eligible for RR Draw) (includes $9,320 EOY adj in D	33	31,379	4,004	49,234	41,621	18,225	35,181	16,877	20,579	44,430	2,975	4,980	3,669
Subtotal: Operating and Maintenance	164,033	227,454	169,618	195,129	178,046	149,234	192,680	253,685	152,509	263,128	161,251	164,452	174,913
6700 TAXES/INSURANCE													
6710 Taxes -- Real Estate													
6711 Payroll Taxes	3,911	5,372	3,226	7,705	5,879	4,303	3,567	3,358	0,046	3,628	3,559	5,623	5,041
6700 Misc Licenses/Permits (inc. marketing in September, 2000 on)				0	0	0	0	0	-35	0			
6720 Property Insurance (inc. adj for insurance Claims and YTD adj)	34,314	34,184	34,184	34,184	34,184	34,184	35,878	33,979	33,979	30,273	35,101	38,007	34,401
6721 Fidelity Bond				0	0		0	0	0	0	0		
6722 Workers Compensation (includes $11 EOY adjustment in Dec)	3,537	3,278	3,404	3,773	2,010	2,481	3,041	3,112	4,521	3,142	3,162	3,007	2,607
6723 Employee Health and Life Insurance (excludes 401(k)	5,427	5,089	5,088	4,887	5,247	5,501	5,996	5,557	5,557	5,557	5,557	5,557	5,557
401(K) Matching Contribution estimate			508	3,200	508	508	1,340	504	504	504	504	504	504
6716 Promissory Interest Tax	5,990	5,990	5,990	5,990	5,990	5,990	5,990	5,990	5,990	5,990	5,990	6,221	6,106
Base Rent Payment	48,236	48,230	48,230	48,230	48,230	48,230	48,230	46,636	46,636	46,636	46,636	46,636	46,636
Subtotal: Taxes/Insurance	99,409	100,142	99,629	103,975	100,956	99,197	102,051	99,194	103,560	101,731	100,559	105,675	100,911
6900 SERVICE EXPENSES													
6991 Recreation Salaries													
6992 Recreation Supplies (includes -$150 EOY adjustment in Dec)	0	0	0	0	0	0	0	0	0	0	0		3,000
6995 Jitney	0	0	0	0	0	0	0	0	0	0	0		
Subtotal: Services	0	0	0	0	0	0	0	0	0	0	0	0	3,000
7000 Replacement Reserve Eligible Expenses													
7100 CORPORATE EXPENSES													
7120 Legal Expenses													
7130 Federal Income Tax													
7131 State Income Tax													
Subtotal: Corporate Expenses													
Adjustment for Operating Expense actuals for 2003 (reversal in Dec 2004)													
TOTAL OPERATING EXPENSES	518,185	595,516	509,845	560,710	525,853	508,117	578,808	609,703	516,919	645,888	530,745	531,861	508,329
Monthly Expense per Unit (net of Replacement Reserves)													
Less Reserves	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
Marketing Expenses													
TOTAL EXPENSES	529,745	607,076	521,485	572,278	537,413	511,677	590,368	621,263	528,429	657,448	542,305	543,421	519,829
Total Expenses Net of Environmental	529,745	607,076	516,655	572,278	537,413	511,677	590,368	620,285	524,629	657,448	542,305	543,421	519,829
Per Unit Monthly Expenses (of occupied units -- Net of Environmental)													
Per Unit Monthly Expenses (occupied unit pro rata of Total Expenses)													
TOTAL ENVIRONMENTAL EXPENSES	0	0	4,790	0	0	0	0	978	3,850	0	0	0	0

COMPARISON TO BUDGET SEPTEMBER 2009

	SEPTEMBER				YEAR TO DATE			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Total Revenue	1,103,204	1,016,781	86,423	8.50%	9,943,908	9,151,029	**792,879**	**8.66%**
Marketing	8,637	7,125	1,512	21.23%	58,155	64,125	**(5,970)**	**-9.31%**
Administrative	65,753	77,117	(11,364)	-14.74%	726,452	694,053	**32,399**	**4.67%**
Utilities	126,873	150,560	(23,687)	-15.73%	1,310,346	1,355,040	**(44,694)**	**-3.30%**
O&M (incl insurance expense)	154,302	144,628	9,674	6.69%	1,329,761	1,301,652	**28,109**	**2.16%**
Tax Ins (inc. community room and finance exp)	57,275	58,291	(1,016)	-1.74%	491,825	526,869	**(35,044)**	**-6.65%**
Rent	46,636	47,245	(609)	-1.29%	418,503	425,205	**(6,702)**	**-1.58%**
Reserves	11,560	11,560	-	0.00%	104,040	104,040	**-**	**0.00%**
Replacement (excl. anticipated draw)	48,853	59,850	(10,997)	-18.37%	606,616	538,650	**67,966**	**12.62%**
Total Expenses	519,889	556,376	(36,487)	-6.56%	5,045,698	5,007,384	**36,064**	**0.72%**
Prior Period Adjustments								
Available for Distribution	583,316	460,405	122,911	26.70%	4,898,210	4,143,645	**754,565**	**18.21%**
Available for Distribution	583,316	460,405	122,911	26.70%	4,898,210	4,143,645	**754,565**	**18.21%**
TIDA	554,150	437,385	116,765	26.70%	4,653,299	3,936,463	716,837	**18.21%**
JSCo	29,166	23,020	6,145	26.69%	244,910	207,182	37,727	**18.21%**

Ent	Name	Acct No	Account Name	Invoice	Date	P.O. Num	Reference	Net
TRI00	Villanes at Treasure	7141-000	% Rent - TIDA	Sep09 % Rent	10/21/2009		Sep09 % Rent	554,150.00

Payor:	TREASURE ISLAND-RES.	Date	Check No.	Check Amount
Payee:	Treasure Island Dvlpmnt Authority	10/22/2009	008972	554,150.00

Retain this statement for your records

AP300(A)Rev. 01-09 www.ultech.net

DO NOT CASH THIS CHECK UNLESS YOU CAN VERIFY SAFETY FEATURES LEAD WARNING MESSAGE ON BACK

TREASURE ISLAND-RES.
The John Stewart Company, Trustee
1388 Sutter Street, 11th Fl
San Francisco, CA 94109

WestAmerica Bank
90-4021/1211
Sausalito, CA 94965

ENTERED
OCT 22 2009
TREASURE ISLAND DEVELOPMENT AUTHORITY

Date	Check No.	Check Amount
10/22/2009	008972	$554,150.00

Five Hundred Fifty Four Thousand One Hundred Fifty AND 00/100 Dollars

Pay to the order of:

Treasure Island Dvlpmnt Authority
2nd Floor, Treasure Island
One Avenue of the Palms
San Francisco, CA 94130

VOID IF NOT CASHED WITHIN 180 DAYS OF ISSUANCE

RUB BLUE IMAGE SECURE AREAS TO SHOW THE WORD *"VALID"*

⑈008972⑈ ⑆121140218⑆ 05069286 21⑈

TREASURE ISLAND
YOUR RECREATION DESTINATION

Volume 1, Issue 9
November 2009

NEWS

This newsletter was prepared By Good Neighbors of Treasure Island and Yerba Buena Island under consultation with: Treasure Island Development Authority; Mayor Gavin Newsom; Owen Stephens, President, Treasure Island Authority; and Mirian Saez, Director of Island Operations

INSIDE THIS ISSUE:

TREASURE ISLAND NEWS

DEADLINES AND CONDITIONS

- All submissions of articles, announcements, and calendar items must be submitted to the Editor-in-Chief prior to the 15th of the month of publication for consideration. Email TreasureIslandNews @comcast.net
- The editorial board reserves final rights for inclusion and exclusion.
- Acceptable formats are text submitted in Microsoft Word, PowerPoint, Publisher, JPEG or PDF.
- We encourage positive ideas, solutions and creative problem-solving for our communal challenges; we choose to build community rather than find blame.

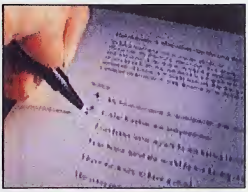
REDEVELOPMENT SURVEY

During the five community meetings in September which focused on the redevelopment of TI/YBI and in the recent letter mailed to residents of the islands from TIDA it was announced that Autotemp would be conducting interviews during October and November to help develop several important documents related to the development.

Per the letter "David and his team will be contacting your household in the beginning of October to schedule an interview. Interviews can be conducted in your home or in Autotemp's offices in Building One. An interview will be scheduled at a time convenient for you, including during the evening or on weekends. While it is not mandatory to participate, your participation will help us create fair and responsive rules and regulations that will govern the housing transition process. All interview information will be confidential. Your responses will only be shared in the aggregate.

Interviews will be conducted during October and November. Following the completion of the interview process, Autotemp will compile the results and assist us in producing a draft of the Rules and Regulations that will govern future housing moves on Treasure Island.

Autotemp will also help draft two other documents, a Replacement Housing Plan and a Relocation Plan. The Replacement Housing Plan deals more with the physical structures, while the Relocation Plan will focus on how the Rules and Regulations are implemented. The drafts of these plans and the Rules and Regulations will be released in early 2010. They will be available for your review and comment, and we welcome your feedback. Ultimately, these Rules and Regulations must be approved by the TIDA board."



Interviews can take place in your home, or in Autotemp's office in Building One. All residents are encouraged to participate in the survey.

To schedule an interview, or if you have questions about the interview process, please contact Jessica Garfiepp of Autotemp at (510) 238-9386.

If you have questions about the proposed project that are more general in nature, please contact the Treasure Island Redevelopment Hotline at (415) 554-6170.

TI THANKS-GIVING PARTY

The YMCA's Member Appreciation Thanksgiving Dinner will be served Monday, November 23 from 6:00pm to 8:00pm. Come enjoy free food and fun at the gym! Contact Neal or Vicky at (415) 765-9037.

NEW RESIDENT CARWASH

Due to non-resident use and abuse, the resident car wash that was at the front of the Island near the Marina was taken down last year.

A new carwash site has been located by the old brig, on 12th between Avenues M and N. If you blink, you will miss it - but it is there for resident use.

PLEASE NOTE: You will need to bring your own hose, soap,

CONTINUED on Page 3

NOVEMBER 2009

SUN	MON	TUE	WED	THU	FRI	SAT
1 Dia de los Muertos All Saint's Day	2 New Moon All Soul's Day	3	4 Bankruptcy Workshop See P. 3	5	6	7
8	9	10	11  	12	13 Island Crime Watch Meeting 7pm to 8pm Shipshape	14
15	16 Full Moon	17	18 TIDA Board Meeting ON ISLAND See below	19	20	21
22	23 Thanksgiving Dinner for residents at TI YMCA Gym See P. 1	24	25	26 	27	28
29	30			Happy Thanksgiving from Good Neighbors of TI/YBII		

Treasure Island Development Authority (TIDA)
Board of Directors Meeting

Wednesday, November 18, 2009

Pavilion by the Bay, Avenue of the Palms on Treasure Island
4:00 pm with Food and Beverages at 6:00 pm

Resident Carwash (Continued)

and towels because the hoses were repeatedly stolen from the old car wash site.

IMPORTANT: All residents should be aware that it is against the law and a violation of your lease to wash vehicles any place other than this location. The new carwash site is equipped with a drain whereas other locations, are not. If you use soap or any other car products they go directly into the bay and pollute it.

Pictured: Spigot for carwash on 12th between Avenues M and N.

AlertSF Notification System

AlertSF is a 24/7 text-based emergency notification system to your wireless devices for **San Francisco's** residents and visitors.

AlertSF will send alerts regarding emergencies disrupting vehicular/pedestrian traffic, watches and warnings for tsunamis, flooding, and Citywide post-disaster information to your registered wireless devices and email accounts. Registrants can also sign up to receive English-language automated information feeds and/or alerts targeted to specific areas of the City.

Registration for AlertSF is free. Text message charges may apply depending on your wireless carrier and plan. These charges will not be reimbursed by the City and County of San Francisco. **When registering your cellular device, make sure it is capable of receiving email generated text messages.**

To register, visit www.AlertSF.org.

Economic Self-Sufficiency Program — Train the Trainer Series

With the urgent need for financial literacy in today's economy, the Economic Self-Sufficiency Program (ESSP) is launching its third annual Train- the-Trainer Professional Development Seminar.

This entails a series of workshops designed for Treasure Island managers and staff to broaden their financial skills and feel more empowered when working with clients. Here is the schedule of classes:

Bankruptcy

Lead by Manny Fernandez and Otis Ward
Wednesday, November 4, 2009 from 3:00pm to 4:00pm

Taxes

Lead by Shannon Wise and Bart Rugo
Wednesday, December 2, 2009 from 3:00pm to 4:00pm

Debtors Anonymous Support Group

Lead by Otis Ward
Wednesday, January 6, 2008 from 3:00pm to 4:00pm

All workshops will be held at the Shipshape building at 9th and I Streets. Light snacks will be provided. Register today at (415) 986-4810 or email smorris@tihdi.org

Career Readiness Counselors Needed for Youth Training Program

Do you have a passion for working with youth? Can you contribute a minimum of one hour a week? If you are looking for a rewarding experience become a Career Readiness Counselor today!

STARS (Speakers, Tutors, Achievement, Retention, Success) is a program created to assist Job Corps trainees (ages 16-24) in academic and career success. The STARS program provides students with positive mentors, academic tutors and motivational speakers and career transition assistance. The program also focuses on the students' social, career and personal development.

As a Career Readiness Counselor, you will provide career development assistance by focusing trainees on job searching activities, provide resume development guidance as well as tips and techniques to the interview process. Tutors will be provided with strategies and materials necessary to be successful while working with students.

Career Readiness Counselor Qualifications:

- Complete a background check before working with students. (provided by the center)
- Ability to listen, guide, support and communicate openly with youth.
- Be knowledgeable in the areas of job searching
- Possess and interest in education and job development
- Complete a one-hour training session prior to working with students.
- Be a positive and motivated individual.
- Sensitivity to persons of different educational, economic, cultural or racial backgrounds. - Maintain a commitment of 1 hour a week.

Benefits of being a Career Readiness Counselor

- Builds self-esteem and creates a sense of pride in helping others.
- Provides experiences that may help with later employment or career goals.
- Develops a sense of responsibility and self-worth.
- Develops communication skills.
- Enhances social and professional networks.

If you are interested in becoming a Career Readiness Counselor please email a brief letter of interest and availability to: Krista Vendetti at vendetti.krista@jobcorps.org

Emergency Preparedness Survey

In any emergency or disaster, members of the community can be a valuable resource and asset throughout the response and recovery process. The Treasure Island Development Authority is working on an appropriate method to pre-identify community members with specific professional skills who may be of assistance to City response and recovery efforts on Treasure and Yerba Buena Islands.

Though all members of the community have abilities and skills to offer, TIDA is initially focusing this program on identifying certain occupations with direct relation to the Emergency Response functions of the City and County of San Francisco's emergency response operations.

If you have professional training or expertise and voluntarily wish to be contacted by TIDA staff for follow-up, please indicate your area of professional experience below and provide your name, daytime telephone number or email address where you can be contacted.

- ☐ City and County of San Francisco (CCSF) employee
- ☐ Medical and/or health professional
- ☐ Construction and/or building engineering
- ☐ Non-CCSF public safety employee
- ☐ Language other than English _____
- ☐ TI or YBI resident

Name: _____

_____

Phone number:
(_____)_____

Email address:
_____

Complete and return surveys to:
Peter Summerville
Treasure Island Development Authority
410 Avenue of the Palms
Building 1, 2nd Floor
San Francisco, CA 94130
(415) 274-0665 phone
(415) 274-0299 fax

Boys & Girls Clubs of San Francisco — Treasure Island Clubhouse

BOYS & GIRLS CLUB

In every community, boys and girls are left to find their own recreation and companionship in the streets. An increasing number of children are at home with no adult care or supervision. Young people need to know that someone cares about them.

Boys and Girls Clubs offer that and more. Club programs and services promote and enhance the development of boys and girls by instilling a sense of competence, usefulness, belonging and influence.

Boys and Girls Clubs are a safe place to learn and grow – all while having fun. They help youth to be academically successful by providing homework assistance, tutoring and assist teens to graduate and find employment while being exposed to leadership opportunities.

The Treasure Island Clubhouse is located on 401—13th Street at Avenue E in the old elementary school.

As always, the Clubhouse needs volunteers to assist in all capacities such as helping first graders with homework, reading,, arts and crafts projects, cooking, sports or helping administratively. If you are interested in helping the youth in our community, contact Lavina DeSilva at (415) 693-0264 or send an email to ldesilva@kidsclub.org. To learn more about the Boys and Girls Clubs in general, visit www.bgsf.org.

Treasure Island Free Wi-Fi Status

In 2009, the Nonprofit Technology Network (NTEN, http://www.nten.org/) chose San Francisco to be a part of the "Day of Service" which occurs in conjunction with their yearly conference. Cisco Systems (www.Cisco.com) provides equipment and funds NTEN to organize volunteers to work on this project. This year, TechSoup (www.Techsoup.org) was the local host and Kaml Griffiths of TechSoup Global was responsible for recommending which projects should be considered -- and bringing free Wi-Fi to the Island made the cut.

Ms. Griffiths is also providing much needed help and guidance to the Treasure Island Homeless Development Initiative (TIHDI) and Good Neighbors of Treasure Island and Yerba Buena Island in establishing a "Tech Center" program that will provide computer use instruction, access to low cost refurbished computers, and more to all Island residents.

The wireless connection, **TIWireless**, is available in the residential area of Treasure Island and is available to all residents in that area to use. We all owe a debt of gratitude to the organizations and individuals who have brought this valuable service to us.

Under the direction of Mike McCarthy of the Department of Technology, the equipment has been installed and ready to use.

Please help us test!
Good Neighbors of TI/YBI (www.TreasureIslandSF.org) has been testing the connection but we need your help! To help test the system you need to be in the residential area of Treasure Island, have a wireless card, and know how to use it! If you do, then please click on http://fd9.formdesk.com/connors/WIFITest and follow the instructions. If possible, please do this at different times and on different days so we get a better picture.

Questions about the free Wi-Fi can be directed to **good_neighbors@comcast.net** or Michael McCarthy at **Mike.McCarthy@sfgov.org** - (415) 581-3943.

TREASURE ISLAND FREE WI-FI (CONTINUED)

For more information about computers, etc. check out the "Tech Center" menu on www.TreasureIslandSF.org.

Using the Free Wi-Fi on Treasure Island
To use the free Wi-Fi on Treasure Island you must:

- Be in the residential section of Treasure Island
- Have a Wi-Fi card or USB adapter on your computer (note: laptops usually have one)
- Connect to the TIWireless Wi-Fi connection

Not sure if you have a Wi-Fi card or if it is set up? Good Neighbors will be hosting a number of "Wi-Fi Connection Clinics" at the Shipshape building located at 9th and Avenue I, where you will be able to bring your computer in to test on site. We will also have printed instructions available for you to take home.

TechSoup

TechSoup.org offers nonprofits a one-stop resource for technology needs by providing free information, resources, and support. In addition to online information and resources, Tech Soup offers a product philanthropy service called TechSoup Stock. Here nonprofits can access donated and discounted technology products generously provided by corporate and nonprofit technology partners.

TechSoup is a trusted technology resource that offers a variety of information and services for the benefit of the nonprofit sector. TechSoup provides instructional articles and worksheets for nonprofit staff members who utilize information technologies, as well as technology planning information for executives and other decision makers. Our introductory articles and message board support are aimed at those who do not have much experience using technology, but we also provide more advanced information.

Our product philanthropy service, TechSoup Stock,
is open to all qualified 501(c)(3) nonprofit organizations.

NTEN: Where the Nonprofit Technology Community Meets

NTEN aspires to a world where all nonprofit organizations skillfully and confidently use technology to meet community needs and fulfill their missions.

We are the membership organization of nonprofit technology professionals. Our members share the common goal of helping nonprofits use all aspects of technology more effectively.

We believe that technology allows nonprofits to work with greater social impact. We enable our members to strategically use technology to make the world a better, just, and equitable place.

NTEN facilitates the exchange of knowledge and information within our community. We connect our members to each other, provide professional development opportunities, educate our constituency on issues of technology use in nonprofits, and spearhead groundbreaking research, advocacy, and education on technology issues affecting our entire community.

We're on the web!
www.TreasureIslandSF.org

How To Subscribe

For residents of the Villages, send an email to:

villages@jsco.net

with the subject "Email Notices Sign-Up." and include your name, address and contact information. Staff will first verify the information, and then send the latest community news.

For all other residents, agencies, staff and friends, please send your request to:

Good_Neighbors@comcast.net

Please encourage and tell your housemates and neighbors how to sign up.

Everyone is Welcome!

GOOD NEIGHBORS OF TREASURE & YERBA BUENA ISLANDS

Next Quarterly Meeting
Saturday
December 12, 2009
11 pm to 1pm
Location TBD
Call (415) 520-6653

Island Disaster Preparedness

October 12, 2009 was the 20th anniversary of the Loma Prieta Earthquake; and so we commemorated this date with a reinvigoration of our Islands' disaster preparedness groups and programs.

As each resident should be aware, we live on an island that is wholly dependent on access to the mainland from the Bay Bridge. Many of you were here for our semi-annual Bay Bridge closing, and noted that things got very quite here, and that access to the main land was great going to San Francisco and back. It was pretty cool as we had the bridge to ourselves. But just imagine if you will, what would it have been like if the Western Span of the Bay Bridge was down as well. Could you survive for 72 hours? Would you know where your family and neighbors were, would you have enough food, water and medications? What would you do with your pets; do you have enough food, water and medications for them? Do you know how to shut off your gas? Could you rescue your loved ones if the very roof over their fell in? What is a go bag? How much water should you have on reserve? Do you know where to meet on TI in the event of a significant disaster?

Want to learn all about the above? Then come and join your friends and neighbors in NERT Classes or take a First Aide Class through the Red Cross. Help us make Treasure Island as safe a place as it can be. We will shortly be announcing our next NERT Class and other safety events. We will have our next Island Preparedness meeting soon!

We are looking for a few folks who are willing to help make this happen. We are also looking for any grant writers out there?

Contact Emily Rapaport at grapaport@aol.com. You can also find info and links on www.TreasureIslandSF.org - Emergency Preparedness menu.

Healthy Air Walk on Treasure Island—Good Neighbors faction "Goof Troop" volunteers and hundreds of walkers joined this charity event on September 26. *Way to go!*

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

October 26, 2009

Dear Resident,

I begin this letter by saying "Thank You!" for all of your patience and understanding during this very eventful month. October is traditionally a very busy month for San Francisco. This October in particular has been exceptionally eventful for Treasure Island.

Our special events began at the end of September with the San Francisco International Dragon Boat Festival and The American Lung Association's Clean Air Walk. Then we immediately hosted the Alzheimer's Memory Walk, Fleet Week, the Treasure Island Wine Festival, and Oracle's *One World Employee Appreciation Event*. We ended this special event period with the Treasure Island Music Festival. In between events, there was filming for *Trauma*, seven weddings and even a prom. All of the special events are part of being the Bay Area's *Recreation Destination*.

Remembering that Treasure Island is self-sustaining financially, revenues that these special events generate enable us to provide services to you, the resident. Further, the special events help us to generate excitement about the Island so that guests will want to make Treasure Island their home after the redevelopment is complete.

We recognize that there were a few logistics and sound problems with our special events this October. As we begin planning for next October, we will work to minimize those problems. In particular, we will actively work with the San Francisco Entertainment Commission to ensure that your concerns on amplified music are addressed and with the San Francisco Police Department to ensure that there are fewer traffic disruptions.

Again, I thank you for your patience and want to reassure you that we will always be considerate of our residents when permitting or planning a special event on the Island.

Sincerely yours,

Miriam Saez
Director of Island Operations
Treasure Island Development Authority

Residential Advisory Notice

TREASURE ISLAND DEVELOPMENT AUTHORITY

Please be advised that there have been two recent armed robberies around the general the general area of the old Treasure Island School, located on Avenue E and 13th street.

Residents are strongly cautioned to avoid the school area after sundown.

If you see any suspicious behavior or have any information regarding the two robberies call 553-0123.

TREASURE ISLAND DEVELOPMENT AUTHORITY

Administration Building
One Avenue of the Palms
San Francisco, CA 94130

Phone: 415-274-0660
Fax: 415-274-0299
E-mail: TIDA@sfgov.org

If you wish to receive notices and community information electronically, please e-mail Marianne.Thompson@sfgov.org.

Mirian Saez, Director of Island Operations

Advisory Notice

TREASURE ISLAND DEVELOPMENT AUTHORITY

Please be advised that approximately 8:25 am, there was a bunker fuel spill at anchorage #9, south of the Bay Bridge. While the vessel Dubai has been boomed, an unknown quantity of bunker fuel was released into the bay. As a precautionary measure *No Swimming or Fishing* signs have been posted along the eastern shore of Treasure Island, and a Coast Guard contractor will be booming the Island.

For more information, please contact Marianne M. Thompson, (415) 274-0662.

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Mirian Saez, Director of Island Operations

THE SAN FRANCISCO-OAKLAND
BAY BRIDGE SEISMIC SAFETY PROJECTS
CALTRANS BAY AREA TOLL AUTHORITY CALIFORNIA TRANSPORTATION COMMISSION

Public Announcement

Lane Closures Scheduled on the San Francisco-Oakland Bay Bridge

Due to ongoing work on portions of the San Francisco-Oakland Bay Bridge, various lane closures have been scheduled which may cause delays. Please allow extra travel time.

- Westbound lanes 1 and 2 will be closed (one mile east of Yerba Buena Island to the Yerba Buena Island tunnel) from 11 p.m. Friday, Nov. 6 to 7 a.m. Saturday, Nov. 7.

- Various lanes will be closed from 11 p.m. Saturday, Nov. 7 until 9 a.m. Sunday, Nov. 8.

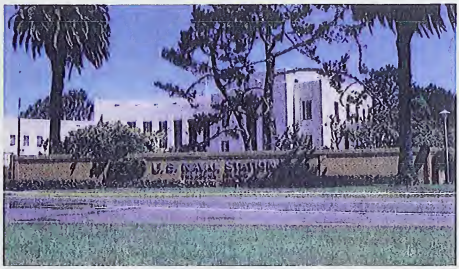
- Westbound lane 1 will be closed **daily** from 12:30 p.m. to 2 p.m. (one mile east of Yerba Buena Island to the Yerba Buena Island tunnel) from Thursday, Nov. 5 through Friday, Nov. 13.

For more project information, please contact the Public Information Office at (510) 286-7167 or Public Information Officer Margena Wade at (415) 286-1553. For updated project information please visit the project Web site at www.baybridgeinfo.org, featuring BayBridge360.

PLEASE REMEMBER TO SLOW FOR THE CONE ZONES
THANK YOU

Residential Advisory Notice

TREASURE ISLAND DEVELOPMENT AUTHORITY



Please be aware that the following closures and re-routes will be in effect this coming weekend for the Treasure Island Music Festival, in addition to the existing closures on the southeast side of the Island as part of the Oracle event. Please see the attached map and let me know if any questions. Thanks.

Closures:

- Avenue of Palms closed to all traffic between California Avenue and 9th Street - Saturday - 6 AM until Sunday/Monday - 12 midnight
- 9th Street closed to all traffic between Avenue of the Palms and Avenue B - Saturday - 6 AM until Sunday/Monday - 12 midnight
- Avenue B closed to all traffic between California Avenue and 3rd Street - Saturday 6 AM until Sunday/Monday - 12 midnight
- Intersections of Avenue D and 3rd, 4th and 5th Streets will be closed to through traffic - Saturday 6 AM until Sunday/Monday - 12 midnight

Re-Route:

- Local north/south auto and MUNI 108 traffic between 9th Street and California Avenue will run along Avenue D

If you have any questions, please contact Marianne Thompson at (415) 274-0662.

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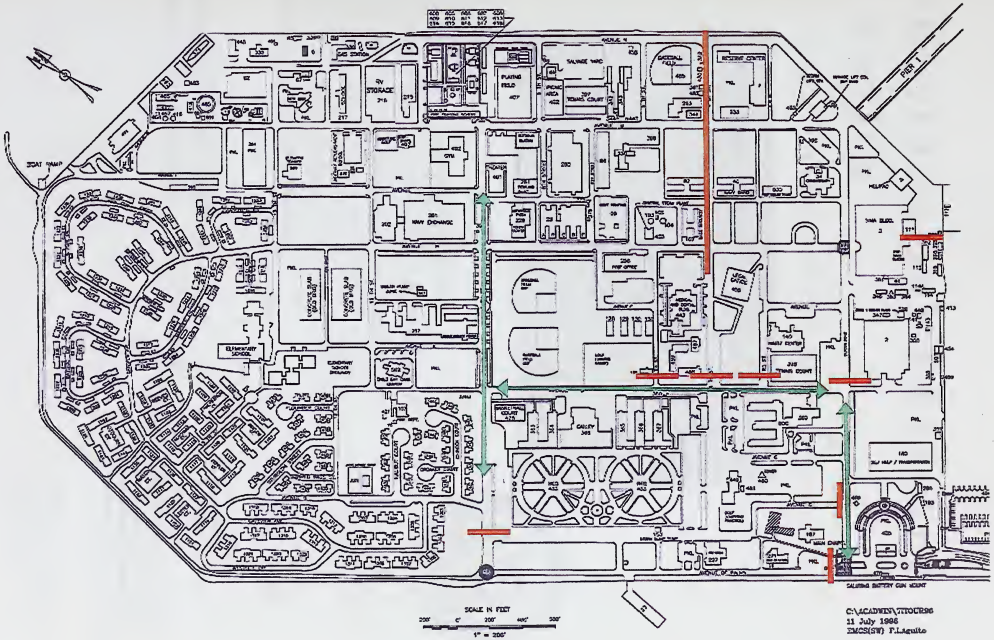
Mirian Saez,
Director of Island Operations

October 17—18, 2009



Residential Advisory Notice

TREASURE ISLAND DEVELOPMENT AUTHORITY

*****CORRECTION*****

Avenue of Palms will be closed between California Avenue and 9th Street on **Wednesday, November 4th** from 7AM to 7PM. Local traffic please use Avenue H or Avenue M for north/south travel on-Island.

For more information, please contact Marianne M. Thompson, (415) 274-0662.

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Mirian Saez, Director of Island Operations

Lodi wineries draw crowds to San Francisco for weekend's Treasure Island Wine Fest

By Jordan Guinn
News-Sentinel Staff Writer
Sunday, October 11, 2009 9:45 PM PDT

Comments (No comments posted.)

SAN FRANCISCO — As Blue Angel fighter jets roared over San Francisco's skyline for the opening day of Fleet Week and salty air sprayed up from San Francisco Bay, more than 1,500 wine enthusiasts sampled varietals from more than 40 Lodi wineries on Treasure Island on Sunday.

The Treasure Island Wine Fest featuring Lodi wines was a success, said Charlene Lange of LangeTwins Winery.

"The reception has been dramatic," Lange said. She said the event coordinators were looking for ways to improve the event for next year. They were going to have to get another tent for wine tasting, she said, because she anticipates more wineries participating and more people coming.

Between 1 and 5 p.m. on Treasure Island, the portable tent that housed the 43 wineries, and the Knowlton Gallery was packed elbow-to-elbow with guests sampling Lodi varietals and schmoozing with growers.

"It's a nice crowd of serious consumers of wine," said Courtney Thommen, one of the event's main coordinators.

Marie Rodgers is one such consumer. The Hawaiian native lives in the Bay Area because she is on active duty for the United States Air Force. She said her best friend bought her the ticket to the Treasure Island Wine Fest because she knew how much she loves wine. Rodgers said she is a "big fan" of wine in general, but knew very little about Lodi wines before Sunday.

For the full story, please see Monday's News-Sentinel.

Reader Feedback

Comments on this story are now closed.

Special Sections

SFBG
SAN FRANCISCO BAY GUARDIAN ONLINE

Solar flair

Flaming Lips bubble over at Treasure Island Music Fest. Plus: Jesus Lizard, Monsters of Folk, more

By Kimberly Chun

arts@sfbg.com

SONIC REDUCER How to compare beat heads and pop pachyderms? Honestly, if I was given a buck for every time some discriminating music listener told me that this year's Treasure Island Festival lineup looked much more exciting than Outside Lands' bipolar program (Os Mutantes? M.I.A.? Was Dave Matthews' mom-rock presence dampening your fiery fun?), I'd be buying a round of Tecate and bacon dogs for every Mission hoodie hovering near the 22nd Street cart.


Flaming, flairing

Treasure Isle is still a bifurcated fest — but it's a much more pleasing mixture than Outside Lands' recent attempt to stir Deerhunter seriousity in with the breasts and boobies that casually tail Black Eyed Peas. Saturday remains devoted to dancier waters; Sunday, to rockier shores — a Coachella model harnessing the pleasures of the dancefloor as well as the ambition of art rock. This year's slyest move is the way Treasure Isle has inextricably tangled up performers like Girl Talk and Dan Deacon — artists who tap the integrative energy of fans who wanna get in the act, climb onstage, and live the dream that once could only be gleaned at warehouse shows and small, sweaty underground spaces. MGMT is the only curious inclusion on Saturday's bill: wouldn't they feel more at home on Sunday, amid the twisted, folkier folk with a mangled psychedelic 'n' orchestral bent, à la Grizzly Bear, Vetiver, Beirut, and Yo La Tengo?

Not to take anything away from Flaming Lips, whose new double album, *Embryonic* (Warner Bros.) dovetails savagely yet sweetly with the noise-ier power-points of YLT's *Popular Songs* (Matador). And by the way, the Lips have done it again. Namely they've found a way to get born once more, just as they have so many times before during their unexpectedly lengthy lifespan — one that vrooms from the indefinable psych-punk of *Oh My Gawd!!!* (Restless, 1987) and the *Alternative Nation* pop of *Transmissions from the Satellite Heart* (Warner Bros., 1993) to the sci-lab experiments of *Zaireeka* (Warner Bros., 1997) and the back-to-the-future head-space of *Soft Parade* (Warner Bros., 1999).

This time the Lips look to the planets, randomness, and '60s utopian rock as their guides for a way to reformulate the old acid formulas, retexturize the beast, and rethink the punk, now finding its latest bright, blistering incarnation in raw blasts of in-the-red, zippered noise and bristling shit-fi grind ("Convinced of the Hex") and immaculate bachelor-pad space-rock decorated with Voyager-like transmissions of mathematician Thorsten Wormann holding forth on polynomial rings ("Gemini Syringes").

If *At War With the Mystics* (Warner Bros., 2006) went to battle against the forces of religious fundamentalism intent on waging a War on Terror without, *Embryonic* harnesses the struggle of the child within. Its rough, fragmented brilliance evokes the acid-laced forebears like 13th Floor Elevators, more polished proggists such as King Crimson, generational retro-futurist kin like Stereolab, and free-floating panic-rock innocents such as Deerhoof. Shh, don't talk to me about the incoherence of *Christmas on Mars*, though *Embryonic* falls into the same continuum. It's a dispatch from the outer edges of nightmares, where "Your Bats" wings its way into the jittery, shattered, shaky guitarism of "Powerless," before accelerating into the motor-psycho rev-ups and -downs of "The Ego's Last Stand."

The combo continues to make a sonic spectacle of stumbling and falling with grace and gore, trailing bloody rags, hand puppets, balloons, star charts, and tinsel in its wake: "Aquarius Sabotage"'s fairy-dust power skronk and "See the Leaves" apocalypso crunch embody the perfectly incendiary collision between crap-fi with Pro Tool-y tweakery. *Embryonic* makes the rough endings and hard births embodied by '09 more weirdly glorious, if not a little easier. *

The Examiner

Opinion

UNDER THE DOME City Hall Politics

Newsom's Treasure Island appointee before supes

By: Joshua Sabatini

10/13/09 12:31 PM PDT

Mayor Gavin Newsom has reappointed Claudine Cheng to the Treasure Island Development Authority Board of Directors for four-year term ending February 2010.

For that to happen, she must pass muster before the Board of Supervisors. On Thursday, the board's Rules Committee meets to vote on the appointment.

Back in November, Cheng was among a number of candidates in a crowded race vying to represent District 3 on the Board of Supervisor, a seat vacated by termed out Aaron Peskin. The race was won by now Board of Supervisors President David Chiu.

The Treasure Island board has 10 members, with seven appointed by the mayor. The board makes decisions around planning and redevelopment. It is also monitoring the city's negotiations to purchase the island from the U.S. Navy.

More from Joshua Sabatini

- Commission to vote on allowing a chain pet store to open up shop in the Marina
- Library's new program yielding results
- Supes embrace Exploratorium's waterfront move
- Supes take an Afghanistan stand
- Supes officially adopt sanctuary policy-change

KTVU.com

Indy Rock, Dance Giants Descend On Treasure Island

By Aaron Selverston

Posted: 10:50 am PDT October 15, 2009

TREASURE ISLAND, Calif. -- Two stages, 26 bands, 48 hours of music madness.

Treasure Island Music Festival returns this year with arguably its most impressive lineup yet: the Flaming Lips, Yo La Tengo, The Decemberists, and MSTRKRFT to name a few.

Perhaps the greatest anticipation, however, is surrounding Brooklyn's MGMT, who in 2008 blew up to become LAST.fm's most played artist with psychedelic anthems such as "Time to Pretend" and "Kids".

The almost-undiscovered college grads have soared to newfound fame in the last year, touring with Paul McCartney after opening for MIA and Beck in 2008.

The real test for Ben Goldwasser and Andrew VanWyngarden will be whether they can impress their A.D.D. fans with material off their upcoming LP, "Congratulations," due out in January.

All the insanity will be taking place on a manmade chunk of toxic dirt between SF and Oakland. Treasure Island, a former Navy base, boasts epic views of the city skyline, but is an otherwise questionable expanse of military housing and maintenance hangars. The single stretch of grass lining the San Francisco side of the island is a perfect spot to throw a rager, though.

More than just a music blowout, the two-day gathering features live graffiti art, a Ferris wheel, a hair salon, installation art, and a posse of local vendors hawking their handmade wares.

The music goes down on two stages, with the acts being timed so that there is a continuous flow of music, and people, shuttling back and forth like sheep, lubricated of course, by the continuous flow of overpriced beer.

And since there may be no amount of booze that can keep you at a festival from noon to 11 two days in a

row, you might have to start picking and choosing the bands you see. If you do, we strongly recommend MGMT, Girl Talk, Grizzly Bear, and Sleepy Sun.

* Sleepy Sun plays big, confident psychedelic rock that can be heavy as the winter of '69 or lighter than burning sage.

* Girl Talk whips up a frenetic laptop monster mix that always kills.

* Grizzly Bear can actually pull off the same four-part harmonies live that they executed on their acclaimed album, Veckatimist.

* MGMT, well, duh. Just don't embarrass yourself.

Check out KTVU.com Monday for slideshows and interviews.

Treasure Island Music Festival
Saturday And Sunday, Oct. 17 and 18, 12-11p.m. $65/day
http://treasureislandfestival.com/

The Examiner

Local

Treasure Island rupture sends sewage into Bay

October 25, 2009

SAN FRANCISCO — A stretch of Treasure Island coastline is closed after a pressurized sewer line burst Saturday, spilling 67,600 gallons of waste into the streets and likely contaminating the Bay.

The sewer main, which was installed in the mid-1990s, broke around 1 p.m. on the east side of the island at Avenue M and Third Street, San Francisco Public Utilities Commission spokesman Tyrone Jue said. The commission and departments of Public Works and Public Health responded and the leak was contained within half an hour, he said.

The island's sewer system is separate from San Francisco's, and a break in a main on the island flows into the Bay.

Initial water samples came back high for bacteria, Jue said, and signs warning against swimming have been posted.

SFGate.com

Bay Bridge closed after repair falls apart

Michael Cabanatuan,Justin Berton, Chronicle Staff Writers

Wednesday, October 28, 2009

(10-27) 21:12 PDT SAN FRANCISCO -- Three pieces of an emergency repair to the Bay Bridge's cantilever section made over Labor Day weekend snapped and crashed onto the upper deck of the span late Tuesday afternoon, striking three vehicles and forcing the indefinite closure of the region's busiest bridge.

Caltrans officials ordered the closure of the bridge in both directions shortly after 7 p.m. and said late Tuesday night that it would be closed indefinitely. Residents of Treasure Island were being allowed access from the San Francisco end of the bridge.

The pieces that snapped were two high-strength steel rods and a crossbeam from a steel saddle, said Tony Anziano, Caltrans toll bridge program manager. Those parts were installed over Labor Day weekend during a repair job that delayed the reopening of the bridge following scheduled work.

"It's way too early to say" what happened, Anziano said. "We have to take a careful look at it."

The pieces crashed across the westbound lanes of the Bay Bridge's eastern span, east of Yerba Buena Island, about 5:30 p.m., according to CHP Officer Peter Van Eckhardt. They hit three vehicles, but miraculously, nobody was seriously injured.

The incident caused the CHP to immediately close three lanes of the upper deck, promptly snarling traffic across the eastern span. Within hours, authorities began clearing traffic from both decks of the bridge, preparing it for a full closure so that engineers could inspect the damage.

"We're dealing with some high winds, and it's dark out there," said Bart Ney, a Caltrans spokesman. "We want to be as safe and as thorough as possible."

With an extended closure of the Bay Area's busiest bridge possible, Bay Area transportation officials were preparing contingency plans.

BART spokesman Linton Johnson said the agency would bring in extra train operators today in anticipation of the thousands of additional riders likely to flock to the system.

"We're going to use every available piece of equipment," Johnson said, "meaning all the cars we can

possibly muster into service."

BART had near-record ridership on Sept. 4, the Friday of the Labor Day weekend bridge closure.

Golden Gate Ferry will have an extra high-speed ferry ready if needed any time after 7 a.m. Plans for other ferries were still being developed Tuesday night.

The area of the bridge where the pieces broke off was where, over Labor Day weekend, crews found a critical flaw on a steel structural beam, called an eyebar, helping to hold up the eastern span.

The crack was discovered during the planned four-day shutdown of the span to install the 288-foot S-turn but was unrelated to that project.

Caltrans engineers said then that there were enough safeguards in the bridge design that the crack could not have led to the bridge collapsing.

The problem forced officials to push back the announced reopening of the span while emergency repairs were made. Working nearly 70 hours nonstop, crews wrapped a steel brace around the broken beam to redistribute tension away from the damaged area. That brace was then attached to another one set lower on the span using steel rods.

In the end, the bridge reopened in time for most of the morning commute the day after Labor Day.

At the time, Dan Himick, president of the chief contractor on the project, C.C. Myers Inc., said, "Everything went perfect."

On Tuesday night, Beth Ruyak, a spokesman for C.C. Myers, said the company was committed to helping with the repair.

After the pieces fell, the backups caused confusion and frustration among commuters. Hundreds of stalled drivers cut through the toll plaza parking lot to get out of the westbound lanes. Drivers pulling through appeared perplexed about what was going on. Hundreds of other drivers waited to cross the bridge.

Driver Marilyn Mackel, 46, of Oakland pulled off into the toll plaza parking lot, visibly frustrated. She was headed west on her way to work as a waitress at Gussie's, a chicken and waffle house in San Francisco's Fillmore neighborhood. "This is messed up," she said. "It's the second time it happened to me. I might lose my job. I need that money. I live off my tips."

She said she was stuck in traffic on Oct. 14 when a Safeway truck overturned on the highway. Taking BART is not a good option because she works nights, she said.

Chris and Elaine Zapata of Hayward were headed to San Francisco for a date night - the married

couple have four children and it was to be their first getaway in more than a month, when they got stuck in the traffic jam. They pulled off and parked at the toll plaza and opened up a laptop to watch an episode of "The Office" to pass the time.

After learning that the bridge was being shut down indefinitely, Elaine Zapata resigned herself to the fact that it was going to be a short date: "I guess we'll just go back home."

E-mail the writers at mcabanatuan@sfchronicle.com and jberton@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/10/28/MNO81ABJTF.DTL

This article appeared on page A - 1 of the San Francisco Chronicle

The Examiner

Local

TI set up with free Wi-Fi

By: John Upton
Examiner Staff Writer
October 27, 2009

SAN FRANCISCO — Free wireless Internet access was recently switched on for residents of Treasure Island.

After a Mayor Gavin Newsom-led effort to blanket San Francisco with free wireless Internet access proved difficult, a South Bay-based software company donated wireless equipment to the Treasure Island Homeless Development Initiative.

Expanded access: Treasure Island residents will now have free wireless Internet access, thanks in part to a large donation of equipment by a South Bay-based software company.

The equipment has been installed by volunteers and city officials throughout the island, mainly on light poles.

Formerly homeless people are among the sparsely populated island's 3,000 residents who are benefiting from the gift.

"We are proud to bring free Wi-Fi and computers to another underserved community in San Francisco," Newsom said in a press release. "This new network will give residents the tools to participate in the new economy that will power America's recovery."

The wireless mesh technology is providing free Internet access in homes, a community center and outdoor spaces, according to Robyn Jenkins, spokeswoman for the Cisco Foundation, which donated the $170,000 worth of equipment.

"It's a win-win [situation]," Treasure Island Development Authority Executive Director Mirian Saez said. "While it was one group who actually received the money, the whole community is benefiting from it."

Meanwhile, limited free wireless Internet access continues to be provided in parts of the Mission, Alamo Square, Potrero and Noe Valley neighborhoods by San Francisco-based Meraki.

Nearly 400,000 devices are used annually to access the free service, which Meraki uses to help test its products, according to Executive Director Sanjit Biswas.

"The network is still up and running — we expand it in little bits," Biswas said.

San Francisco has abandoned its plan to provide free wireless access to all city residents, but is forging ahead with plans to provide the service to public housing residents, according to an "accountability matrix" published recently by Newsom.

Free wireless Internet access is expected to be available to residents of 20 public-housing sites by the end of the year, according to the matrix.

jupton@sfexaminer.com

Find this article at:
http://www.sfexaminer.com/local/TI-set-up-with-free-Wi-Fi-66273367.html

☐ Check the box to include the list of links referenced in the article.

Agriculture

A DIRECT HIT

More than 1,500 attend Lodi's Treasure Island Wine Fest

Jon Bjork

Sunday's first-ever Treasure Island Wine Fest was a big hit.

The perfect-sized crowd of more than 1,500 true wine enthusiasts braved chill winds and overcast skies to sample for the first time 200 Lodi wines in a cozy tent.

Around 3 p.m., a loud roar of jet engines within sling-shot distance practically emptied the tent. Guests with glasses of Lodi Zin watched a diamond formation of Blue Angels soar low in front of the San Francisco skyline.

I overheard one guest say, "It doesn't get much better than this."

Everywhere you looked were flyers for Lodi's Third Annual First Sip coming Nov. 14 to 15. We're hoping the success of the event will start showing up in new Web site orders and new Bay Area faces in our tasting rooms!

Meanwhile, don't miss our School Street Stroll this Friday. Invite some of your out-of-town friends for a special-rate Wine Stroll Package on Oct. 16 at the Hampton Inn & Suites or the brand new Holiday Inn Express.

Take them out to Woodbridge Winery for their annual Chili Cook Off the next day, and while you're wolfing down con carne, take a refreshing sip of the 2007 Sauvignon blanc ($8), just named one of the 100 Best Buys for 2009 by Wine Enthusiast Magazine.

(You can find more of my photos of the Treasure Island Wine-Fest on my Facebook page at *www.facebook.com/bjorkj* — and while you're there, friend me up!)

Profit panic

Here it is, the second week of October, and the word in the field is that perhaps 85 percent of Lodi's grapes are safely on their way to becoming 2009 wines.

What's left in the path of former Typhoon Melor are what one prominent grower referred to as "my profit."

The "all hands on deck" message went out on Sunday and Monday to try and bring in as many grapes as humanly possible to protect them from rot resulting from up to two inches of rain forecasted to drench vineyards on Tuesday.

As is typical, Cabernet Sauvignon, Petite Sirah and some Merlot and Zin are still hanging on vines. In other regions, such as Sonoma and the Foothills, a larger percentage is still out there.

One winemaker isn't worried: "That will save me having to add water." In other words, the vines will naturally dilute some already high grape sugars, resulting in alcohol levels that yeast can ferment properly.

However, most people forget that with rain comes slippery mud, making use of tractors or harvesters in the fields almost impossible.

If drying winds and warmer temperatures can improve conditions before another band of rain hits next week, 2009 could still be a vintage of excellent quality for all varieties.

Jon Bjork is a winery consultant, co-owner of Pantheon Cellars, the producer of one exclusive Lodi Rhone-style red and former general manager of Jessie's Grove Winery. Contact him at wineguy@lodinews.com.

For more of Bjork's musings on the wine industry, visit www.lodinews.com.

Treasure Island

Continued from Page 1

"big fan" of wine in general, but knew very little about Lodi wines before Sunday.

She said she enjoyed the Woodbridge by Robert Mondavi wine the most, but that she would definitely look for Lodi wines in stores and restaurants in the future.

"I've had some really good stuff," Rodgers said. "I liked what I had here."

Outside the bustling tent, a variety of seminars on wine pairing, sustainability and Lodi wines in general were featured.

Suzanne Ledbetter said more than 1,400 tickets were sold in advance for the event, and many more purchased tickets at the door on Sunday.

She said it was a great turnout, and that overcast conditions didn't stop people from enjoying themselves.

"It's a little chilly," Ledbetter said. "But the wine is flowing and keeping everyone warm."

Akaylia Sidener of Jessie's Grove Winery was inside the tent pouring to customers, and said the turnout at her table was excellent.

"I'm blown away," she said.

Sidener and the rest of Jessie's Grove Winery brought seven cases of wine to the event. There are a dozen bottles in each case.

By 3:30 p.m., she said she still had enough, but that they were going through the wine quickly throughout the day.

"The attendance has passed our expectations," she said. "I'm impressed with how many Lodi residents are out here today."

Lange said what made the event most successful in her eyes was Lodi's ability to create a name for itself and market in another city.

"We are doing what wine writers say we should be doing," Lange said. "Introducing ourselves to others."

Contact Jordan Guinn at jordang@lodinews.com

Lodi News-Sentinel

October 12, 2009 www.lodinews.com 2 Sections, 18 Pages • 50¢

'DRAMATIC RECEPTION'

Lodi wineries draw crowds to San Francisco for weekend's Treasure Island Wine Fest

By Jordan Guinn
NEWS-SENTINEL STAFF WRITER

SAN FRANCISCO — As Blue Angel fighter jets roared over San Francisco's skyline for the opening day of Fleet Week and salty air sprayed up from San Francisco Bay, more than 1,500 wine enthusiasts sampled varietals from more than 40 Lodi wineries on Treasure Island on Sunday.

The Treasure Island Wine Fest featuring Lodi wines was a success, said Charlene Lange of LangeTwins Winery.

"The reception has been dramatic," Lange said. She said the event coordinators were looking for ways to improve the event for next year. They were going to have to get another tent for wine tasting, she said, because she anticipates more wineries participating and more people coming.

Between 1 and 5 p.m. on Treasure Island, the portable tent that housed the 43 wineries, and the Knowlton Gallery was packed elbow-to-elbow with guests sampling Lodi varietals and schmoozing with growers.

"It's a nice crowd of serious consumers of wine," said Courtney Thommen, one of the event's main coordinators.

Marie Rodgers is one such consumer. The Hawaiian native lives in the Bay Area because she is on active duty for the United States Air Force. She said her best friend bought her the ticket to the Treasure Island Wine Fest because she knew

JORDAN GUINN/LODI NEWS-SENT

Akavlia Sidener, left, of Jessie's Grove Winery, pours a taste for Chris Ary during the Treasure Island W

Notification of Backyard Radiological Surveys in the Treasure Island Housing Area

November 11, 2009

The Navy's contractor, Shaw Environmental, will be conducting backyard radiological surveys in your area.

Two teams of two technicians each will survey backyards at Buildings 1205, 1224, 1215 and 1226 on Bayside Drive, Buildings 1227, 1237, 1238, 1239, 1240 and 1244 on Northpoint Drive, and Building 1246 on Gateview Court.

No heavy or noisy equipment is involved. Pick-up trucks or similar vehicles marked with Shaw decals will be used to transport personnel.

This is a routine survey as part of the Navy's environmental investigation on Treasure Island. These backyards are at buildings in proximity to the Solid Waste Disposal Areas (SWDAs) on Bayside Drive and Northpoint Drive, where the Navy has removed soil and a limited number of items containing low levels of Radium 226. The Navy has already surveyed all of the common areas throughout the Bayside and Northpoint areas, finding no radiological items except for a single small instrument gauge buried in the common area between Buildings 1244 and 1246. The Navy is surveying these backyards to further confirm the findings in the common areas.

What you may see:

- Backyard surveys will be done during the day – anticipated work hours are from 8:00 a.m. to 5:00 p.m. Technicians will use a handheld meter approximately 3 feet above the ground surface to survey both the concrete patio and lawn surfaces. Each backyard will take approximately 45 minutes to survey. Backyard entry will be from the rear gate.
- Personnel operating equipment will be wearing normal outdoor worker attire.
- Residents will be required to temporarily remove all personal property from the concrete and lawn backyard surfaces for the survey to be conducted.

Schedule:

- Monday, November 16th through Tuesday, November 24, 2009 weather permitting. Specific schedules have been provided to your housing management office, and a separate 24 hour notice will be placed on your front door.
- In case of weather delay, the surveys will be rescheduled to a future date, and additional notices will be provided to you.

For additional information, please visit the Navy's website:
www.bracpmo.navy.mil

How to get more information?

There are several ways:

- Contact the following Navy representative with project-related questions or concerns:

  James Sullivan
  Navy BRAC PMO
  1455 Frazee Road, Ste 900
  San Diego, CA 92108
  (619) 532-0966
  james.b.sullivan2@navy.mil

- Attend the Navy's Restoration Advisory Board (RAB) Meetings, held the third Tuesday of every other month at the Casa de la Vista on TI. Updates on basewide environmental investigations and activities are presented at the meetings. The next RAB meeting is scheduled for 7:00 p.m., December 15, 2009 at the Casa de la Vista.

- Visit the Navy's web site, which contains historical and current information, including information on becoming a RAB member. It can be viewed at:

  www.bracpmo.navy.mil

- In addition, the following two local information repositories have been established for community access to NAVSTA TI Environmental Cleanup Program documents:

Navy BRAC Caretaker Support Office
410 Palm Avenue, Building 1, Room 161
Treasure Island, San Francisco, CA 94130
(415) 743-4729

AND

San Francisco Public Library
Government Publications Section
100 Larkin Street, San Francisco, CA 94102
(415) 557-4400

James Sullivan
Navy BRAC Program Management Office West
410 Palm Avenue
Building 1, Room 161
Treasure Island, San Francisco, CA 94130-1806

For additional information, please visit the Navy's website:
www.bracpmo.navy.mil

ADPICS/FAMIS – FY 2009/10
CITY & COUNTY OF SAN FRANCISCO

Dept: Treasure Island Development Authority
Dept. Control No: 111309-11

PURCHASE ORDER#DPAD1000411

Date: November 13, 2009

FM 05 **FY** 10

Vendor No. 46249

VENDOR: **RUBICON ENTERPRISES**
Remittance address: 2500 Bissell Avenue
Richmond CA 94804

Scheduled Payment (Y/N): yes

Partial Payment: no
Final Payment: no
Multiple Payees: no

Number of Invoices attached: 1

SUMMARY INVOICE/S INFORMATION

Invoice# NOV 091-IN Date: 11/09/09, Amt: $949.00

Invoice# NOV 092-IN Date: 11/09/09, Amt: $662.00

Invoice# NOV 093-IN Date: 11/09/09, Amt: $734.00

Extra Maintenance Landscaping

Total Due: $2,345.00

Line No		Amount	Index Code	Subobject	User Code	Grant	Project	General Ledger
01		$2,345.00	705035	'02805				

DEPARTMENT

Prepared by:

Frishtah Afifi, Project Administrator 11/13/09
Tel: 274-**0660**
Fax: 274-0299

Approved by: 11/13/09
Mirian Saez, Director of Island Operations
Treasure Island Development Authority

rubicon PO11/13/09

FILE NO. RESOLUTION NO.

[Settlement of Lawsuit]

Resolution authorizing settlement of the lawsuit filed by Curtis F. Dowling, Sr. against the City and County of San Francisco et al for $25,000; the lawsuit was filed on December 21, 2004 in San Francisco Superior Court, Case No. 04-437285; entitled Curtis F. Dowling, Sr. v. City and County of San Francisco, et al.

WHEREAS, Curtis F. Dowling, Sr. filed a lawsuit entitled "Curtis F. Dowling, Sr. v. City and County of San Francisco, et al.," San Francisco Superior Court, Case No. 04-437285, on December 21, 2004, and the following parties were named in the lawsuit: Plaintiff Curtis F. Dowling, Sr. and Defendants City and County of San Francisco, Treasure Island Development Authority (the "Authority"), Annemarie Conroy, Heather Fong, Greg Suhr, Robert Putts and Douglas Groshong; and, be it

RESOLVED, That the City Attorney is hereby authorized to settle on behalf of the Authority the lawsuit entitled "Curtis F. Dowling, Sr. v. City and County of San Francisco, et al.," San Francisco Superior Court, Case No. 04-437285, for a total of $25,000, with the Authority's share of the settlement being $12,500.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on November 18, 2009.

_____

Helen Nigg, Secretary

AGENDA ITEM 7C
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 18, 2009

Subject: Resolution Approving Amended Minimum Monthly Rental Rate Schedule and Renewals for 2010

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

During the interim period preceding transfer of the real property from the US Navy to the Treasure Island Development Authority (the "Authority"), the Authority earns operating revenue by subleasing property leased from the US Navy. On July 11, 2007, the Authority Board of Directors (Resolution No. 07-54-07/11) delegated authority to the Director of Island Operations to approve and execute subleases on behalf of the Authority, provided that the terms of said subleases met certain parameters as found in the Authority's Interim Subleasing Policy. Contained within the delegated authority is a schedule of minimum monthly rental rates for subleases which can be executed by the Director of Island Operations without Authority Board review and approval. The term "sublease" refers to both subleases and use permits for properties listed on the Minimum Monthly Rental Rate Schedule. Such delegated authority can only be executed under the following criteria.

1. The sublease is for a use that is consistent with the permitted use under the applicable Master Lease between the US Navy and the Authority;

2. The sublease is for space included in the current Minimum Monthly Rental Rate Schedule adopted by the Authority Board, and the sublease rent conforms to the Minimum Monthly Rental Rate Schedule;

3. The subtenant executes the Authority's standard form sublease with no alterations except for minor changes approved by the City Attorney or changes in insurance approved by the City Risk Manager;

4. The sublease term does not exceed month-to-month and is no greater than the term provided the Authority in its Master Lease with the US Navy; and

5. The sublease may include one month of free rent for Early Entry for the construction of tenant improvements prior to the commencement of the term.

The Authority's Interim Subleasing Policy describes how all subleasing and sublease renewals shall be conducted utilizing a standardized procedure with the objective of ensuring transparency in the terms and conditions of all transactions and agreements with third parties, and the resulting

outcome being that of a streamlined subleasing procedure. The Interim Subleasing Policy provides for a periodic update of the Minimum Monthly Rental Rate Schedule. On February 11, 2009 and July 8, 2009, the Authority Board (Resolution Nos. 09-14-02/11 and 09-44-07/08) updated its Minimum Monthly Rental Rate Schedule for 2009. The Minimum Monthly Rental Rate Schedule sets the minimum sublease rental rates per square foot by type of use and facility.

During the past 12 months, demand for space on Treasure Island has remained high relative to the balance of San Francisco. Recent leasing activity has lowered the Authority's inventory of available warehouse, industrial and office space.

Project Staff has reviewed the existing appraisal report prepared by Carneghi-Blum & Partners, Inc., as well as available commercial data including comparables of property similarly situated to that of Treasure Island, and has evaluated Authority transactions over the past year. The data demonstrates that the Authority's current Minimum Monthly Rental Rate Schedule is in line with current market conditions given the extraordinary limiting conditions of the properties and sublease terms. Therefore, the proposed Minimum Monthly Rental Rate Schedule is being amended to include additional properties but no rate increases are being proposed at this time. Moreover, Authority staff continues to have the ability to negotiate higher rates than those found in the Minimum Monthly Rental Rate Schedule.

RENEWALS OF EXISTING SUBLEASES – BOTH WITHIN & OUTSIDE PARAMETERS

The Interim Subleasing Policy allows for renewals of existing subleases at rental rates adjusted between 2% and 5% based on the change in the local Consumer Price Index, as well as general and local market conditions. Project Staff will renew over 70 sublease agreements that are scheduled to expire on November 30, 2009. In addition, the Minimum Monthly Rental Rate Schedule includes a list of existing subleases that the Authority Board approved in 2009 because they were outside of the parameters set forth in the Interim Subleasing Policy. Project Staff proposes to extend the existing subleases listed on the Minimum Monthly Rental Rate Schedule on a month to month basis through November 30, 2010 at a rental rate no less than the current rent payable under each existing sublease and otherwise on the same terms and conditions set forth in the existing subleases.

RECOMMENDATION

The Project Staff recommends that the Authority Board approve the proposed amended Minimum Monthly Rental Rate Schedule attached hereto as Exhibit A to include additional parcels. Upon adoption of this amended Minimum Monthly Rental Rate Schedule, the Director of Island Operations will be authorized to enter into subleases and extensions of existing subleases without specific Treasure Island Development Authority Board approval of each sublease or extension, provided that: (i) the sublease or extension conforms to all the approved subleasing parameters; or (ii) if the extension is for a sublease previously approved by the Authority Board, the term of the month to month extension will expire on November 30, 2010, the rental rate is no less than the current rent payable by such subtenant, and the extension is otherwise on all of the terms and conditions of the existing sublease approved by the Authority

Board. Project Staff would not be authorized to enter into subleases or extensions of existing sublcases at rental rates below those adopted or on terms and conditions that are not consistent with the parameters in the Interim Subleasing Policy without specific authorization from the Treasure Island Development Authority Board of Directors.

EXHIBIT:

EXHIBIT A – Amended Minimum Monthly Rental Rate Schedule
EXHIBIT B – Interim Subleasing Policy

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

FILE NO. _____

[Interim Subleasing Policy]

Resolution Approving Fiscal Year 2009/10 Minimum Monthly Rental Rate Schedule.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On March 11, 1998, pursuant to Resolution No. 98-10-3/11, the Board of Directors of the Authority adopted The "Treasure Island Development Authority Rules and Procedures for Transfer and Use of Real Property" (the "Rules and Procedures"), which

establish the specific rules and procedures for the transfer of all or any portion of the real property located on the closed Naval Base Treasure Island; and,

WHEREAS, On July 11, 2007, the Authority Board of Directors (Resolution No. 07-54-07/11) approved an Interim Subleasing Policy which standardizes the subleasing process for the interim month to month subleases while assuring that there is consistency, transparency and full disclosure to the Authority and the public by the use of a pre-approved body of subleasing parameters that include a boilerplate sublease, business terms and minimum rental rates to guide Project Staff in sublease negotiations while assuring compliance with Board policy; and,

WHEREAS, Under the Interim Subleasing Policy, the Director of Island Operations may approve and execute subleases on behalf of the Authority, provided that the terms of said subleases meet certain parameters as found in the Authority's Interim Subleasing Policy; and,

WHEREAS, The Interim Subleasing Policy provides for a periodic update of the Minimum Monthly Rental Rate Schedule in order to assure the Minimum Monthly Rental Rate Schedule is in line with current market conditions; and,

WHEREAS, The Minimum Monthly Rental Rate Schedule also includes a list of existing subleases (the "Non-Parameter Subleases") that the Authority Board previously approved because they did not fall within the parameters set forth in the Interim Subleasing Policy for subleases that can be executed by the Director of Island Operations without Authority Board approval; and,

WHEREAS, Authority staff proposes to extend the existing Non-Parameter Subleases listed on the Minimum Monthly Rental Rate Schedule on a month to month basis through November 30, 2010 at a rental rate no less than the current rent payable under each existing

Sublease and otherwise on the same terms and conditions set forth in the existing Non-Parameter Subleases; and,

WHEREAS, Authority staff proposes to add Buildings 187 and 265 to the 2009/2010 Minimum Monthly Rental Rate Schedule to be consistent with Navy Master Lease amendments that added these buildings to the portfolio of properties that the Authority leases from the Navy; Now, Therefore, Be It

RESOLVED, That the Authority Board approves and adopts the 2009/10 Minimum Monthly Rental Rate Schedule in substantially the form attached as Exhibit A; and Be It,

FURTHER RESOLVED, That the 2009/10 Minimum Monthly Rental Rate Schedule supersedes the Minimum Monthly Rate Schedule adopted by the Authority Board on July 8, 2009 pursuant to Resolution No. 09-44-07/08, which shall have no further effect on the terms, conditions, rules and procedures for subleasing properties on the Base; and, Be It

FURTHER RESOLVED, That the Authority Board authorizes the Director of Island Operations to execute amendments to the existing Non-Parameter Subleases to extend the month to month term through November 30, 2010 at a rental rate no less than the current rent payable under each Non-Parameter Sublease and otherwise on the same terms and conditions set forth in the existing Non-Parameter Subleases.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 18, 2009.

_____

Helen Nigg, Secretary

Item 7C, Exhibit A
FY 2009/10 Minimum Monthly Rental Rate Schedule

Building No.	Name	Highest and Best Use	Minimum Rental Rate psf
1	Administrative Building	Office	$0.75
2	Hangar 2	Industrial	$0.15
3	Hangar 3	Industrial	$0.10
34	Commissary	Industrial	$0.25
41	Building 41	Office / Storage	$0.25
62	Building 62	Industrial	$0.41
69	Shed	Industrial	$0.20
111	Fire House	Industrial	$0.25
140	Nimitz Conference Center	Office / Commercial	$0.25
146	Gatehouse	Retail	$1.25
180	Building 180	Industrial	$0.25
183	Café	Retail	$1.25
187	Chapel	Office / Commercial	$0.50
201	Navy Exchange	Industrial	$0.20
202	Coin Laundry, Credit Union	Industrial	$0.10
216	RV Storage	Industrial	$0.10
225	DPW Hobby Shop	Industrial	$0.25
229	Club House (Life Learning)	Office / Assembly	$0.50
258	Post Office	Industrial	$0.05
261	Bowling Alley	Recreation / Industrial	$0.05
264	PUC Shop	Industrial	$0.25
265	Library	Office / Commercial	$0.50
292	Warehouse	Industrial	$0.10
298	Yacht Club	Office / Assembly	$0.50
330	Gas Station	Industrial	$0.05
346	Building 346	Industrial	$0.25
384	Building 384	Industrial	$0.25
401	Theater	Assembly / Industrial	$0.05
454	Building 454	Industrial	$0.25
520	Building 520	Industrial	$0.25
530	Building 530	Industrial	$0.25
670	Brig	Industrial	$0.25
671	Carpentry Shop	Industrial	$0.35
Quarters 1	Nimitz House	Office / Commercial	$0.25
Paved Land/ Pier space	$0.10		
Unpaved Land	$0.05		

Existing Subleases Previously Approved by Authority Board of Directors in 2009

Sublease No.	Subtenant	Use	Resolution No.
4	San Francisco Gaelic Athletic Association	Athletic Field	08-05-02/13
11	SFPD Behavioral Sciences Unit	Office Counseling	08-14-04/09
12	Regents of the University of California Berkeley	land	09-23-05/13
13	San Francisco Gaelic Athletic Association	Athletic Field	08-65-10/22
15	New Cingular Wireless PCS, LLC	Cell Site	08-17-04/09
18	SFPD Motorcycle Solo Unit	Office Training	08-15-04/09
21	Treasure Island Homeless Development Initiative	Office	08-46-09/18
23	Treasure Island Sailing Center Foundation	Sailing Center	08-48-09/18
24	Boys and Girls Clubs of San Francisco	school	09-13-02/11
28	Glide Foundation, Inc.	Classroom	08-04-02/13
30	Treasure Island Homeless Development Initiative	Land	08-47-09/18
37	FCA Artist	events	09-24-05/13
43	Treasure Island Yacht Club	clubhouse	08-59-10/22
50	The San Francisco Fog Rugby Club, Inc.	Athletic Field	08-32-06/11
51	San Francisco Little League, Inc.	Athletic Field	08-39-07/09
52	San Francisco Little League, Inc.	Athletic Field	08-40-07/09
54	Island Creative	shed	09-06-01/14
57	Treasure Island Museum	office	08-27-06/11
63	San Francisco Sheriff's Department	school	08-62-10/22
116	Wine Valley Catering, dba TI Pies	Cafe	09-15-02/11
139	San Francisco Gaelic Athletic Association	Athletic Clubhouse	09-22-05/13
158	City and County of San Francisco, Acting by and through its Film Commission	Shed / office	09-45-07/08
191	Treasure Island Homeless Development Initiative	Childcare	09-55-09/09

Item 7C, Exhibit B
TREASURE ISLAND DEVELOPMENT AUTHORITY
INTERIM SUBLEASING POLICY

During the interim period preceding transfer of the real property from the US Navy to the Treasure Island Development Authority (the "Authority"), the Authority earns operating revenue to support the policy goals and objectives of the City and the Authority by subleasing property leased from the US Navy. The purpose of the Authority's Interim Subleasing Policy is to establish the rules and procedures for subleasing real property during the interim period.

I. POLICY STATEMENT

All subleasing and sublease renewals shall be conducted utilizing a standardized procedure with the objective of ensuring transparency in the terms and conditions of all transactions and agreements with third parties, and the resulting outcome being that of streamlined leasing procedures

Standardization – To competitively position the Authority's commercial properties, the sublease process requires the use of standardized form leases, business terms and parameters. Parameters shall be reviewed and approved by the Authority from time to time for use by Project Staff. Exceptions to utilization of standardized forms and parameters shall be approved by the Authority in its sole and absolute discretion.

Marketing – Marketing shall be conducted in a public, open and transparent method that is intended to maximize exposure of the properties. Such marketing shall include notifications of available space in the Treasure Island Development Authority website as well as commercial websites, such as Co-Star and paid advertisements in print media as necessary to reach the commercial markets

II. SUBLEASE BUSINESS TERMS AND ALLOWANCES

A. **Standard Form Sublease.** The subtenant will sign a standard form sublease with no changes except minor changes approved by the City Attorney. Any changes to the sublease which significantly alter the potential liabilities or the responsibilities of the Authority will require Authority approval.

B. **Business Terms and Parameters.** The Business Terms of the sublease shall fall within the following general parameters:

1) **Uses**. Uses of subleased properties shall be consistent with uses prescribed by the US Navy and uses assigned by the Authority; or, in the case of a multiple tenant property, shall be similar to and/or compatible with the other uses in the property.
2) **Term.** The **term** of the sublease shall be no greater than the term provided the Authority in its lease with the US Navy.

3) **Terms and Conditions.** The basic legal terms and conditions are incorporated into the terms of a boilerplate sublease approved by the City Attorney. Exceptions to the boilerplate terms and conditions will be approved by the City Attorney. Subleases and amendments to subleases that are not signed "as to form" by the City Attorney are invalid and not binding against the Authority.

4) **Risk Management.** The Risk Manager for the City and County of San Francisco established all insurance requirements for all subleases. Exceptions to the standard insurance requirements shall be provided only by the Risk Manager and shall be in writing.

5) **Annual Rate Adjustments.** Each year, rental rates for current subtenants are adjusted between 2% and 5% based on the change in the local Consumer Price Index, as well as general and local market conditions.

6) **Minimum Rents.** The sublease provides for **minimum rents** that are no lower than the rate for space of the category subleased, as shown on the **Minimum Rental Rate Schedule** adopted periodically by the Authority.

7) **Common Area Maintenance Charge.** Each subtenant shall pay a Common Area Maintenance (CAM) Charge. The CAM Charge will be an amount sufficient to allow the Authority to recover its costs.

8) **Security Deposit.** Each subtenant shall provide the Authority a Security Deposit that is equal to at least two times the monthly base rent. The Security Deposit may be greater based on a review of risk factors for a subtenant.

C. The sublease may include Allowances.

1) **Early Entry.** The subtenant may take early occupancy, up to a maximum of 30 days, to make improvements to the property to prepare it for occupancy.

2) **Rent Credit.** Rent Credits may be allowed to make improvements to the premises. The value of Rent Credits cannot exceed 50% of Year One base rent. Rent Credits may be used to offset no more than 50% of the subtenant's base rent for any month.

3) **Paint and Carpet Allowance.** The quoted rate for full service office space assumes move-in space with good paint and carpeting. In the event a subtenant takes office space that does not meet the standard, the subtenant may be provided an allowance for paint and carpet up to a maximum of $2.00 per square foot to make these cosmetic improvements to the premises.

4) **Limitations to Rent Credit and Paint and Carpet Allowance(s).** Either Rent Credit or Paint and Carpet Allowance(s) may be used to reduce monthly base rent for a period that shall not exceed twelve months. In no event shall credits or allowances be used to reduce monthly base rent by an amount greater than 50% of the monthly base rent for the month. Allowances may be provided as a condition of a renewal.

5) **Certification of Rent Credits and Paint and Carpet Allowance(s).** Plans and descriptions of work and materials that may be eligible for Rent Credit or Paint and Carpet Allowance(s) and the maximum potential value of Rent Credit or Paint and Carpet Allowance(s) must be agreed upon and made a part of the terms of the sublease. Rent Credit and Paint and Carpet Allowance(s) will only become available after invoices for materials purchased and work performed have been certified by Project Staff as being a fair representation of work completed and work eligible for Rent Credit or Paint and Carpet Allowance(s). Neither Rent Credit nor Paint and Carpet Allowance(s) will be available to the subtenant to reduce monthly base rent prior to certification of satisfactory completion of work.

D. **Subtenant Requirements.**

1) **Permits.** The subtenant will comply with all applicable **permitting and regulatory** requirements of the Authority, the City and County of San Francisco, the US Navy and any other regulatory agency.

2) **Credit Check.** The subtenant must meet the same standards of **credit worthiness** and other financial conditions as required for subtenants receiving full Authority review.

III. REVIEW AND REPORTING REQUIREMENTS

A. Prior to execution by the Director of Island Operations, the terms and conditions of a sublease shall be reviewed by the US Navy, the Treasure Island Homeless Development Initiative and the Office of Base Reuse to assure that the proposed subtenant and the terms of the proposed sublease are compatible with current and future activities and operations, as well as the Development Project and Authority obligations to the Treasure Island Homeless Development Initiative.

B. The Director of Island Operations shall present a written description at each monthly meeting of the Authority describing all subleasing activity, including subleases and renewals signed by the Director and the terms of those subleases and renewals.

AGENDA ITEM 7D
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 18, 2009

Subject: Resolution Approving and Authorizing the Execution of a Sublease with Monica Hobbs Catering for Use of Quarters 1, Yerba Buena Island

Contact Richard A. Rovetti, Deputy Director of Real Estate
Phone 415-274-0660

BACKGROUND

Monica Hobbs Catering is a Sole Proprietorship which provides catering and meeting space support to the San Francisco-Oakland Bay Bridge construction projects. Monica Hobbs Catering wishes to use Quarters 1 on Yerba Buena Island (aka "The Nimitz House") for these purposes on a month-to-month basis commencing December 1, 2009. Additionally, Monica Hobbs Catering wishes to hold a series of industry-level focus group meetings at the property, as well as host special events using Quarters 1 as the venue.

Under the proposed Sublease ("Sublease"), Monica Hobbs Catering would sublease Quarters 1 on a month-to-month basis, and would assume responsibility for the day-to-day upkeep and maintenance associated with the property.

SUBLEASE TERMS AND CONDITIONS

The salient terms and conditions of the proposed Sublease include the following:

Premises:	Approximately five thousand eight hundred and eighty six (5,886) square feet of space located at Quarters 1, Yerba Buena Island, San Francisco, California, and non-exclusive use of the surrounding grounds.
Location:	Quarters 1, One Whiting Way, Yerba Buena Island
Commencement Date:	December 1, 2009
Lease Expiration Date:	November 30, 2010
Lease Term:	Month-to-Month
Base Rent:	Base Rent is One Thousand Five Hundred ($1,500.00) Dollars per month.

Use: Meetings and special events pertaining to the Bay Bridge project, and other events.

Security Deposit: Three Thousand Dollars ($3,000.00)

PROPOSED MONTHLY BASE RENT

Under the Authority's Interim Subleasing Policy, the Minimum Rental Rate Schedule sets ranges of minimum sublease rental rates per square foot by type of use and facility for office and industrial space. Authority Staff reviews and analyzes available commercial data including market comparables of properties similarly situated to the Authority properties and evaluates the Authority transactions over the past 12 months to establish fair market value. The Authority Board last approved the Minimum Rental Rate Schedule on July 8, 2009, by Resolution No. 09-44-07/08. However, Quarters 1 is not reflected on this Rate Schedule.

The rental rate for Quarters 1 includes consideration of the maintenance and upkeep responsibility that Monica Hobbs Catering intends to assume under the Sublease. Due to Quarters 1 isolated location on Yerba Buena Island, its exposure to the elements, and the need for regular maintenance and upkeep to the building due to its age and its historic designation, the ability of Monica Hobbs Catering to maintain and upkeep the property is viewed by Project staff as a benefit to the property and as an activity directly supportive of the Authority's' role as caretaker of former Naval Station Treasure Island. This in turn allows Project staff to focus property management resources and assets elsewhere on-Island, while assuring that Quarters 1 is maintained in a responsible and appropriate manner. This Sublease also demonstrates the Authority's continued cooperation in connection with the Bay Bridge construction project.

FINANCIAL IMPACT

The Sublease will provide an increase of approximately $18,000.00 per year to the Authority's budget.

RECOMMENDATION

Project Staff recommends that the Authority Board of Directors approve the Sublease with Monica Hobbs Catering for Quarters 1, Yerba Buena Island, for a month-to-month term and subject to the additional terms and conditions set forth above.

EXHIBIT A – Sublease No. 204 between the Treasure Island Development Authority and Monica Hobbs Catering.

Prepared by: Peter Summerville, Leasing Manager
For: Mirian Saez, Director of Island Operations

[Sublease with Monica Hobbs Catering.]

Resolution Approving and Authorizing the Execution of a Sublease with Monica Hobbs Catering for Use of Quarters 1, Yerba Buena Island

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Monica Hobbs Catering wishes to use Quarters 1 on Yerba Buena Island for activities supporting the San Francisco-Oakland Bay Bridge construction projects, as well as for other events, and the Authority is proposing to sublease Quarters 1 to Monica Hobbs Catering as part of the Authority's continued cooperation in connection with the Bay Bridge construction project; and,

WHEREAS, Monica Hobbs Catering intends to assure appropriate upkeep and maintenance of Quarters 1 in support of the Authority's overall responsibilities for the maintenance of the property; and,

WHEREAS, Although the Authority has not conducted an appraisal of Quarters 1, Yerba Buena Island, Project Staff believes that the proposed Base Rent combined with the ongoing maintenance and upkeep of Quarters 1 to be provided by Monica Hobbs Catering represents fair market value for this Sublease at this time; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves Sublease No. 204 with Monica Hobbs Catering, a Sole Proprietorship, for approximately 5,886 square feet space located at Quarters 1, One Whiting Way, Yerba Buena Island, and authorizes the Director of Island Operations or her designee to execute the First Amendment in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Sublease will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Sublease are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Sublease that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Sublease, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on November 18, 2009.

_____

Helen Nigg, Secretary

ITEM 7D, EXHIBIT A

SUBLEASE No. 204

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

MONICA HOBBS CATERING,
A Sole Proprietorship

as Subtenant

For the Sublease of

Quarters One
at
Yerba Buena Island

Treasure Island Naval Station
San Francisco, California

December 1, 2009

TREASURE ISLAND SUBLEASE

Table of Contents

LIST OF EXHIBITS:

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated for reference purposes only as of December 1, 2009, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and **MONICA HOBBS CATERING, A Sole Proprietorship** ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated November 14, 1998, as amended from time to time (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property located on Treasure Island Naval Station (the "Property"), as more particularly described in the Master Lease.

B. Subtenant desires to sublet from Sublandlord, and Sublandlord is willing to sublet to Subtenant, a portion of the Property on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. BASIC SUBLEASE INFORMATION

The following is a summary of basic sublease information (the "Basic Sublease Information"). Each item below shall be deemed to incorporate all of the terms of this Sublease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Sublease, the more specific provision shall control.

Sublease Reference Date:	December 1, 2009
Sublandlord:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation
Subtenant:	MONICA HOBBS CATERING, a Sole Proprietorship

Subleased Premises (Section 2.1):	Approximately five thousand eight hundred and eighty six (5,886) square feet of space located at Quarters One, Yerba Buena Island, San Francisco, California, all as more particularly shown on Exhibit B attached hereto and made a part hereof.
Facility:	Quarters 1, Yerba Buena Island
Term: (Section 4.1):	Commencement date: December 1, 2009 Expiration date: November 30, 2010 Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.
Base Rent (Section 5.1):	Monthly Base Rent shall be: One Thousand Five Hundred Dollars ($1,500.00) per month (Twenty Six Cents ($0.26) per square foot)
Rent Adjustment Date(s) (Section 5.2):	Not applicable
Rent Increase Percentage (Section 5.2):	Not applicable
Use (Section 7.1):	Meetings and events pertaining to the Bay Bridge project, and other special events.
Repair Amount (Section 13.1):	Ten Thousand Dollars ($10,000)
Security Deposit (Section 19.3):	Three Thousand Dollars ($3,000.00)

Notice Address of Sublandlord (Section 21.1):	Treasure Island Development Authority Treasure Island Project Office One Avenue of Palms, 2nd Floor Treasure Island San Francisco, CA 94130 Attn: Mirian Saez, Director of Island Operations Fax No.: 415-274-0299 with a copy to: Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Eileen M. Malley Fax No.: (415) 554-4755
Notice Address of Subtenant (Section 21.1):	MONICA HOBBS CATERING 3457 Little Valley Road Sunol, CA 94586 Attn.: Monica Hobbs Phone No.: 916-417-6214
Notice Address of Master Landlord (Section 21.1):	Department of The Navy Base Realignment and Closure Program Management Office West 1455 Frazee Road, Suite 900 San Diego, CA 92108-4310 Fax #: (619) 532-9858

2. PREMISES

2.1. **Subleased Premises**. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises. Subtenant shall have the non-exclusive right to use, together with other subtenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility and the Property.

In the event Subtenant uses or occupies space outside the Premises without the prior written consent of Sublandlord (the "Encroachment Area"), then upon written notice from Sublandlord ("Notice to Vacate"), Subtenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Subtenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Sublandlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably determined by Sublandlord (the "Encroachment Area Charge"). If Subtenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Sublandlord of the Encroachment Area Charge be deemed a consent by Sublandlord to the use or occupancy of the Encroachment Area by Subtenant or a waiver (or be deemed as waiver) by Sublandlord of any and all other rights and remedies of Sublandlord under this Sublease (including Subtenant's obligation to indemnify, defend and hold Sublandlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Two Hundred Dollars ($200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Sublandlord determines during subsequent inspection(s) that Subtenant has failed to vacate the Encroachment Area, then Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Three Hundred Dollars ($300.00) for each additional Notice to Vacate, if applicable, delivered by Sublandlord to Subtenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Sublandlord will incur by reason of Sublandlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Subtenant's failure to comply with the applicable Notice to Vacate and Sublandlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Sublandlord under this Sublease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Sublandlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and

exculpation provision set forth in Section 16 below shall also apply to Subtenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Subtenant shall additionally indemnify, defend and hold Sublandlord harmless from and against any and all loss or liability resulting from delay by Subtenant in so surrendering the Encroachment Area including, without limitation, any loss or liability resulting from any claims against Sublandlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Sublandlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: _____ Sublandlord _____ Subtenant

2.2. As Is Condition of Premises.

(a) Inspection of Premises. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) As Is; Disclaimer of Representations. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal

representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) Seismic Report. Without limiting Section 2.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

3. COMPLIANCE WITH MASTER LEASE

3.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein.

3.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities or HVAC services, or the performance of any other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities or HVAC services, or the performance of any of Master Landlord's obligations under the Master Lease.

3.3. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master

Lease as incorporated herein, then the terms of the Master Lease shall govern.

3.4. **Compliance with Master Lease**. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

4. TERM

4.1. **Term of Sublease**. The term of this Sublease (the "Term") shall commence on the Commencement Date set forth in the Basic Sublease Information, and expire on the Expiration Date set forth in the Basic Sublease Information, unless sooner terminated pursuant to the terms of this Sublease.

4.2. **Effective Date**. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

4.3. **Automatic Termination**. If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

4.4. **Termination by Sublandlord**. Subtenant's period of occupancy of the Premises is subject to Sublandlord's right to terminate this Sublease as provided herein at such time as Sublandlord determines, in its sole discretion, that the Premises are needed in connection with a Sublandlord program or project. As used herein, "Sublandlord program or project" shall mean any development or renovation, by public and/or private parties, of the building or land in or on which the Premises are located. In the event of any such development or renovation, Sublandlord shall have the right to terminate this Sublease without liability or expense upon delivery to Subtenant of thirty (30) days prior written notice of such termination. Subtenant agrees and shall be required to surrender possession of the Premises by the end of such thirty (30) day period.

4.5. **No Relocation Assistance; Waiver of Claims**. Subtenant acknowledges that it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S. C. 4601 et seq. ("URA"), and that Subtenant will not be entitled to

any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Subtenant's Lease and Subtenant's relocation from the Premises. Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, agents, contractors and successors and assigns and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.).

Initials: _____ Subtenant

5. RENT

5.1. Base Rent. Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord Base Rent in the amount set forth in the Basic Sublease Information. Base Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 21.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

5.2. Adjustments in Base Rent. If this Sublease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Sublease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

5.3. Additional Charges. In addition to Base Rent, Subtenant shall pay all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Subtenant under this Sublease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

5.4. Late Charge. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such

failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

5.5. **Default Interest**. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

6. TAXES, ASSESSMENTS AND OTHER EXPENSES

6.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) **Payment Responsibility**. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest.** Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens**. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information**. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

6.2. **Evidence of Payment**. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to

Sublandlord, evidencing payment thereof.

7. USE; COVENANTS TO PROTECT PREMISES

7.1. Subtenant's Permitted Use. Subtenant may use the Premises for the Permitted Use set forth in the Basic Sublease Information, but for no other purpose without the prior written consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion.

7.2. Subtenant's Access to the Premises. As provided in Section 30 of the Master Lease, Subtenant shall have access to the Premises on a 24-hours per day, seven days a week basis; provided, however, Subtenant shall coordinate such access with the local representative of Master Landlord.

7.3. Rules and Regulations. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time.

7.4. Easements. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

7.5. No Interference with Navy Operations. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Subtenant's use of the Premises in the event of any conflict; provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of

Subtenant's operation.

7.6. **No Unlawful Uses, Nuisances or Waste**. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

8. ALTERATIONS

8.1. **Alterations**. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

8.2. **Historic Properties.** Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Master Landlord's and Sublandlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

8.3. **Ownership of Alterations**. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 8 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 19 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 8.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

8.4. **Subtenant's Personal Property**. All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant, subject to the provisions of Section 19 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

8.5. **Sublandlord's Alterations.** Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

9. REPAIRS AND MAINTENANCE

9.1. **Subtenant Responsible for Maintenance and Repair**. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

9.2. **Utilities**. Sublandlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

9.3. **Landscaping.** Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair.

9.4. **Janitorial Services**. Subtenant shall provide all janitorial services for the Premises.

9.5. **Pest Control**. Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

9.6. **Trash**. Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit D. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

9.7. **No Right to Repair and Deduct**. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

10. LIENS

10.1. **Liens**. Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

11. COMPLIANCE WITH LAWS

11.1. **Compliance with Laws**. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the

Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Sublease below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

11.2. Regulatory Approvals.

(a) Responsible Party. Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

11.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk

Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

12. ENCUMBRANCES

12.1. Encumbrance By Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

13. DAMAGE OR DESTRUCTION

13.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 17 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 19 (except for damage caused by a casualty pursuant to which this Sublease may be terminated under this Section 13.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 13.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 8.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

13.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 13.1 above, there shall be no abatement in the Rent payable hereunder.

13.3. Waiver. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

14. ASSIGNMENT AND SUBLETTING

14.1. Restriction on Assignment and Subletting. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion. Subtenant shall provide Sublandlord with a written notice of its intention to Transfer this Sublease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Subtenant shall provide Sublandlord with such information regarding the proposed Transfer as Sublandlord may reasonably request.

14.2. Bonus Rental. If Sublandlord consents to a Transfer of any of Subtenant's interest in or rights with respect to the Premises pursuant to Section 14.1 above, then one hundred percent (100%) of any rent or other consideration payable to Subtenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Sublandlord immediately upon receipt by Subtenant.

15. DEFAULT; REMEDIES

15.1. Events of Default. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) Failure to Pay Rent. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) Covenants, Conditions and Representations. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease; provided, Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord;

(c) Vacation or Abandonment. Any abandonment of the Premises for more than fourteen (14) consecutive days;

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization,

moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted; and

(e) **Notices of Default**. The delivery to Subtenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Subtenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Sublease allowing the Authority to immediately terminate this Sublease without further notice or demand to Subtenant.

15.2. **Remedies**. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages**. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver**. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

15.3. **Sublandlord's Right to Cure Subtenant's Defaults**. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

16. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

16.1. **Release and Waiver of Claims**. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Sublease the Premises to Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 16.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

16.2. **Subtenant's Indemnity**. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) any construction or other work undertaken by Subtenant on or about the Premises; and (f) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

17. INSURANCE

17.1. **Required Insurance Coverage**. Subtenant, at its sole cost and expense, shall maintain, or cause to be maintained, through the Term of this Sublease, the following insurance:

(a) **General Liability Insurance**. Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars ($1,000,000), explosion, collapse and underground (XCU).

(b) **Automobile Liability Insurance**. Comprehensive or business automobile liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any

automobiles or any other motor vehicles are operated in connection with Subtenant's activity on the Premises or the Permitted Use.

(c) **Worker's Compensation and Employer's Liability Insurance**. If Subtenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars ($1,000,000.00) for each accident, injury or illness, on employees eligible for each.

(d) **Personal Property Insurance**. Subtenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Subtenant for the replacement of Subtenant's personal property.

(e) **Other Coverage**. Such other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

17.2. **Claims-Made Policies**. If any of the insurance required in Section 17.1 above is provided under a claims-made form of policy, Subtenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Sublease, to the effect that should occurrences during the Term give rise to claims made after termination of this Sublease, such claims shall be covered by such claims-made policies.

17.3. **Annual Aggregate Limits**. If any of the insurance required in Section 17.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

17.4. **Payment of Premiums**. Subtenant shall pay the premiums for maintaining all required insurance.

17.5. **Waiver of Subrogation Rights**. Notwithstanding anything to the contrary contained herein, Sublandlord and Subtenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Sublease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises; provided, the failure to

obtain any such endorsement shall not affect the above waiver.

17.6. General Insurance Matters.

(a) All liability insurance policies required to be maintained by Subtenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF THE NAVY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Sublease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies required to be maintained by Subtenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Sublandlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Subtenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Subtenant and Sublandlord. Such notice shall be given in accordance with the notice provisions of Section 21.1 below.

(d) Subtenant shall deliver to Sublandlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Sublandlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Subtenant shall, upon Sublandlord's request, promptly furnish Sublandlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Sublandlord may require Subtenant to increase the insurance limits set forth in Section 17.1 above if Sublandlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Subtenant with respect to risks comparable to those associated with the use of the Premises.

(f) Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

(g) Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any

required insurance coverage by written notice to Subtenant.

18. ACCESS BY SUBLANDLORD

18.1. Access to Premises by Sublandlord.

(a) General Access. Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) Emergency Access. In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) No Liability. Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

18.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

19. SURRENDER

19.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 8.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition

immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980, et seq., of the California Civil Code or in any other manner allowed by Law.

19.2. No Holding Over. If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

19.3. Security Deposit. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount set forth in the Basic Sublease Information as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 20.3, Sublandlord shall return such security deposit to Subtenant within forty-five (45) days of the termination of this Sublease.

20. HAZARDOUS MATERIALS

20.1. No Hazardous Materials. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Subtenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan, and with the requirements of the environmental protection provisions provided for in Section 13 of the Master Lease.

20.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 20.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 16.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all

enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

20.3. **Acknowledgment of Receipt of EBS and FOSL Reports.** Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

21. GENERAL PROVISIONS

21.1. **Notices**. Except as otherwise expressly provided in this Sublease, any notice given

hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Sublease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 21.1 and applicable Laws, shall be deemed receipt of such notice.

21.2. **No Implied Waiver**. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

21.3. **Amendments**. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

21.4. **Authority**. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

21.5. **Joint and Several Obligations**. The word "Subtenant" as used herein shall include the

plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

21.6. Interpretation of Sublease. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

21.7. Successors and Assigns. Subject to the provisions of Section 14, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

21.8. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

21.9. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by

Law.

21.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

21.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

21.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

21.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

21.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

21.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either

party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

21.16. **Relationship of Parties**. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

21.17. **Recording**. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

21.18. **Non-Liability of Indemnified Parties' Officials, Employees and Agents**. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

21.19. **No Discrimination**. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

21.20. **Counterparts**. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

21.21. **Master Landlord's Consent**. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord.

22. SPECIAL PROVISIONS

22.1. **Signs**. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior

of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

22.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

22.3. TIHDI Job Broker. Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

22.4. Local Hiring. Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

22.5. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) Sub-Subleases and Other Subcontracts. Subtenant shall include in all sub-subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such sub-subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all sub-subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all sub-subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) Non-Discrimination in Benefits. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any

benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **HRC Form**. As a condition to this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-128-101 with supporting documentation; and (ii) the HRC approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

22.6. **MacBride Principles - Northern Ireland**. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

22.7. **Tropical Hardwood and Virgin Redwood Ban**. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total

amount of the contract dollars, whichever is greater.

22.8. Conflicts of Interest. Subtenant states that it is familiar with the provisions of Section 8.105 and 8.106 of the San Francisco Charter and certifies that it knows of no facts which would constitute a violation of such provisions. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful failure by Subtenant to make such disclosure, if any, shall constitute grounds for the Sublandlord's termination and cancellation of this Sublease.

22.9. Wages and Working Conditions. Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

22.10. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Sublandlord or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

22.11. Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which **(i)** prohibit the use of certain pesticides on City property, **(ii)** require the posting of certain notices and the maintenance of certain records regarding pesticide usage and **(iii)** require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that **(a)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, **(b)** describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and **(c)** identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of

Sections 303(a) and 303(b) of the Pesticide Ordinance.

22.12. First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Subtenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

22.13. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

22.14. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord.

22.15. Charter Provision. This Sublease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

22.16. Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Sublease as though fully set forth. The text of the HCAO is available on the web at www.dph.sf.ca.us/HCRes/Resolutions/2004Res/HCRes102004.shtml. Capitalized terms used in this Section and not defined in this Sublease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such

health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Subtenant shall provide Sublandlord with access to records pertaining to compliance with the HCAO after receiving a written request from Sublandlord to do so and being provided at least

five (5) business days to respond.

(j) Sublandlord may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with Sublandlord when it conducts such audits.

(k) If Subtenant is exempt from the HCAO when this Sublease is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000) (or [Fifty Thousand Dollars ($50,000) if Subtenant is a qualified nonprofit), but Subtenant later enters into an agreement or agreements that cause Subtenant's aggregate amount of all agreements with Sublandlord to reach Seventy-Five Thousand Dollars ($75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Subtenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

22.17. Notification of Limitations on Contributions. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Subtenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Subtenant further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Subtenant's board of directors; Subtenant's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Subtenant; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Subtenant. Additionally, Subtenant acknowledges that Subtenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

22.18. Preservation-Treated Wood Containing Arsenic. As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc

arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

22.19. Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

22.20. Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

22.21. Estoppel Certificates. At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Sublease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Sublandlord. Sublandlord and Subtenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Sublandlord's interest in the Master Lease or this Sublease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Subtenant irrevocably appoints Sublandlord, as Subtenant's agent, to execute and deliver in the name of Sublandlord any such instrument if Subtenant fails to do so, which failure shall also be an Event of Default under this Sublease.

22.22. Addendum. The terms of the Addendum, if any, attached to this Sublease are

incorporated into the Sublease by reference. In the event of any inconsistency between the Sublease and the Addendum, the terms of the Addendum shall control.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

MONICA HOBBS CATERING, a Sole Proprietorship

By: _____
Monica Hobbs

SUBLANDLORD:

Treasure Island Development Authority

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Sublease Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

EXHIBIT A

MASTER LEASE

EXHIBIT B

DIAGRAM OF PREMISES

EXHIBIT C

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT D

RULES AND REGULATIONS

1. All rules and regulations set out in the Master Lease shall prevail.

2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Sublandlord.

3. Subtenant's contractors and invitees, while on the Premises or Subtenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Sublandlord and its agents, but will not be an agent or contractor of the Sublandlord or its agents. Subtenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Sublandlord.

4. Subtenant shall install and maintain at Subtenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

EXHIBIT E

STANDARD UTILITIES AND SERVICES AND RATES

Utilities Included

EXHIBIT F

THIDI WORKFORCE HIRING AGREEMENT

AGENDA ITEM 7E
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 18, 2009

Subject: Resolution Approving and Authorizing the Director of Island Operations to Enter into a Utilities Services Contract with the US Coast Guard

Contact: Richard A. Rovetti, Deputy Director of Real Estate
Phone: 415-274-3365

BACKGROUND
Through the Treasure Island Development Authority (the "Authority"), the San Francisco Public Utilities Commission ("SFPUC") provides utility services to the US Coast Guard station on Yerba Buena Island. The US Coast Guard has requested that the Authority continue to provide utilities to the Coast Guard from December 1, 2009 through November 30, 2010.

The Authority performs Base Caretaker duties at former Naval Station Treasure Island ("NSTI") on behalf of the United States Navy ("Navy") pursuant to the Base Caretaker Cooperative Agreement ("Cooperative Agreement"), as amended, between the Navy and the Authority. The Cooperative Agreement was initially signed on March 12, 1997, between the Navy and the City. In November 1998, the Board of Supervisors authorized the Authority to enter into the Cooperative Agreement and assume the City's obligations thereunder. Under the Cooperative Agreement, the Authority is referred to as the "Caretaker."

Obligations of the Caretaker are described generally in Articles I through XI of the Agreement. Specific duties of the Caretaker are described in Functional Annexes 1 through 9. Functional Annex 6 – Utilities Services, describes the responsibilities of the Caretaker with respect to operation and maintenance of the utilities systems at Treasure Island and Yerba Buena Island.

According to the Cooperative Agreement, "The Caretaker will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base." (Cooperative Agreement Modification 13, Functional Annex 6 - Technical Execution Plan Utilities Management, Paragraph 9.0 **Purchase of Utility Commodities**).

Further, the Cooperative Agreement states that "The Caretaker will defray costs of utilities commodities purchased and costs of the operation and maintenance of the utilities systems through revenues generated by charging uniform rates established by the Caretaker. The Caretaker will enter into Utility Service Contracts (USCs) with all Federal users, including the Navy or the Navy's contractors as required. The USC shall contain pertinent information regarding the utilities agreement between the Caretaker and the specific Federal user, including rates." (Cooperative Agreement Modification 13, Functional Annex 6 - Technical Execution Plan Utilities Management, Paragraph 10.0 **Billing and Payment for Utilities Consumption**).

In accord with the Cooperative Agreement, the US Coast Guard enters into successive contracts with the Authority for the provision of utilities to the YBI Coast Guard Station. Through these contracts, the Coast Guard agrees to pay for utilities consumed at the YBI Coast Guard station at uniform rates approved by the Authority after consultation with the SFPUC. The rates approved by the Authority are identical to the rates charged commercial subtenants on Treasure Island and Yerba Buena Island.

The Coast Guard will submit a Utilities Services Contract between the Authority and the US Coast Guard ("Contract") that is substantially consistent with the terms and conditions of the Contract approved by the Authority Board in 2008, except for renewing the term to December 1, 2009 through November 30, 2010. The Coast Guard also has agreed to procedures for adjustment of utility rates charged to the Coast Guard, subject to the condition that such rates do not exceed published rates charged similar customers.

FINANCIAL IMPACT

The SFPUC will bill the Coast Guard, and the Coast Guard will pay the SFPUC, for all utility services delivered under the terms of the Contract. The Authority will not earn revenues nor will it incur expenses. This Contract will have no financial impact on the Authority.

RECOMMENDATION

The Authority Staff recommends that the Authority Board of Directors authorize the Director of Island Operations to execute a Utilities Services Contract with the US Coast Guard for the term of December 1, 2009 through November 30, 2010 and in a form that is substantially consistent with the terms and conditions of the Utilities Services Contract approved by the Authority Board in 2008.

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

[Resolution Authorizing Coast Guard Utilities Services Contract]

Resolution approving and authorizing the Director of Island Operations to enter into a Utilities Services Contract with the United States Coast Guard.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (the "Base"), which is currently owned by the United States of America; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On March 12, 1997, the City and County of San Francisco ("City") and the United States Navy entered into the Base Caretaker Cooperative Agreement ("Cooperative Agreement") for the management and operation of the Base, including the operation and maintenance of the water, wastewater, stormwater, electric and gas utility systems on the Base; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the

Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, On November 9, 1998, the Board of Supervisors adopted Resolution No. 938098, authorizing the Authority to enter into the Cooperative Agreement and assume City's obligations thereunder; and,

WHEREAS, On October 1, 2000, the Cooperative Agreement was amended by Modification No. P00013, to delegate to the Authority, as the Base Caretaker, the responsibility for the purchase of all electricity, natural gas and water consumed on Treasure Island and Yerba Buena Island and to enter into Utilities Service Contracts with Federal users as required; and,

WHEREAS, The Authority and the US Coast Guard have entered into successive contracts for the provision of utilities to the Coast Guard Station on Yerba Buena Island, with the current contract expiring November 30, 2008; and,

WHEREAS, The US Coast Guard has requested to enter into a Utilities Service Contract (the "Contract") with the Authority for the provision of utilities for the period December 1, 2009 through November 30, 2010, at the uniform rates adopted by the Authority Board; and,

WHEREAS, Utilities commodities purchasing, operation and maintenance responsibilities have been work ordered by the Authority to the San Francisco Public Utilities

Commission ("SFPUC") and the Authority consults with the SFPUC in setting the uniform utility rates; and,

WHEREAS, Under the proposed Contract, the SFPUC would bill the Coast Guard directly, and the Coast Guard would pay the SFPUC, for all utilities services provided under the Contract; now, therefore, be it

RESOLVED, That the Authority Board of Directors hereby approves and authorizes the Director of Island Operations to execute the Contract between the Authority and the US Coast Guard for the term of December 1, 2009 through November 30, 2010 and in a form that is substantially consistent with the terms and conditions of the Contract approved by the Authority Board in 2008; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Contract that the Director of Island Operations or her designee determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Contract, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

/////

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 18, 2009.

_____

Helen Nigg, Secretary

AGENDA ITEM 7F
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 18, 2009

Subject: Resolution Approving and Authorizing the Execution of a Second Amendment to Sublease No. 98 with the Treasure Island Homeless Development Initiative, a California nonprofit corporation, Toolworks, a California nonprofit corporation, and Wine Valley, Inc., a California corporation, for Parcel A: Casa de la Vista; Parcel B: Building 265 (the Library); Parcel C: The Chapel; Parcel D: Fogwatch Picnic Area; Parcel E: Lobby of the Main Administration Building (Building 1); and Parcel F: Pavilion By The Bay, Treasure Island

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

The Treasure Island Homeless Development Initiative, a California nonprofit corporation ("TIHDI"), Toolworks, a California nonprofit corporation, and Wine Valley, Inc., a California corporation doing business as Wine Valley Catering (hereafter collectively referred to as the Joint Venture ("JV")), are currently managing events on Treasure Island, namely at the Casa de la Vista, the Library, the Chapel, the Fogwatch Picnic Area the Lobby of the Main Administration Building, and the Pavilion By the Bay (the "Event Venues District"). The JV has successfully provided employment and job training for homeless, at risk and/or disabled residents while increasing event rental revenues for the Treasure Island Development Authority (hereafter referred to as the "Authority").

On November 12, 2008, the Authority approved Sublease No. 98 (the "Existing Sublease") with the JV for the exclusive right to sublease, and market, operate, and manage, the Event Venues District for the purpose of operating special events on Treasure Island.

At the March 11, 2009 Board meeting, the Authority Board approved a First Amendment to Sublease No. 98 ("First Amendment"), that addressed adding the Pavilion By the Bay and setting the Base Rent and Percentage Rent payable under the Sublease. Under the First Amendment, event rental fees and the resulting Base Rent payable for Parcels A through E were modified as follows: Parcel A: $2,950.00 per day for each Sunday, Monday, Tuesday, Wednesday, Thursday, and Friday, and $3,950.00 for each Saturday rental of the Casa de la Vista; Parcel B: $2,500.00 per day for each Sunday, Monday, Tuesday, Wednesday, Thursday, and Friday, and $3,500.00 for each Saturday rental of the Library; Parcel C: $700.00 per day for each event rental with catering services, and $1,500.00 per day for each event rental without catering services, of the Chapel; Parcel D: $500.00 per day for each day of event rental of the Fogwatch Picnic Area; and Parcel E: $3,000 per day for each day of event rental of the Building One Lobby.

Although the current economic environment is at a decline, the JV has been able to sustain venue sales through effective marketing and promotional programs. Project Staff and the JV have reviewed comparables of similar venues and concluded a revision to the event rental fees for the Casa de la Vista and Library is needed. Under the proposed Second Amendment, event rental fees and the resulting Base Rent payable for Parcels A and B would be modified as follows: Parcel A: $3,950.00 per day for each day of event rental of the Casa de la Vista; and Parcel B: $2,000.00 per day for each Friday, Saturday and Sunday rental, and $1,000 for each Monday, Tuesday, Wednesday, and Thursday rental of the Library. These event fees will be incorporated into the "Treasure Island Development Authority Event Venue Rate Schedule" as approved by the Authority Board of Directors and attached to the Sublease as an exhibit G.

The proposed Second Amendment also proposes to decrease the catering buyout fee from $10,000 for all venues to the following: Parcel A: $7,500 for Saturday, and $5,000 for Sunday through Friday, for the catering food buyout of the Casa de la Vista; Parcel B: $2,500 for catering food buyout of the Library; Parcel C: not applicable; Parcel D: not applicable; and Parcel E: $7,500 for Saturday, and $5,000 for Sunday through Friday catering food buyout of the Building One Lobby. This will enable other catering companies to utilize and access our public facilities, as well as increase the number of special events resulting in an increase in revenues to the Authority.

Third, the Second Amendment also allows for a 20% discount on venue pricing for all venues other than the Pavilion By The Bay on Sunday through Friday to all verifiable 501(c)(3) nonprofit entities, Island residents, active City and County of San Francisco employees, and active military and veterans. No discounts will be given on Saturday rentals.

Fourth, the Second Amendment extends the Sublease Term to November 30, 2010.

AMENDMENT TERMS AND CONDITIONS

JV will sign the Authority's standard form Amendment to Sublease document. The salient terms and conditions of the proposed Second Amendment include the following:

Premises:	Parcel A: Casa de la Vista; Parcel B: The Library; Parcel C: The Chapel; Parcel D: Fogwatch Picnic Area; Parcel E: Lobby of the Main Administration Building; and Parcel F: Pavilion By The Bay
Location:	Treasure Island
Effective Date:	December 1, 2009
Lease Expiration Date:	November 30, 2010
Lease Term:	Month-to-Month
Base Rent:	Parcel A: $3,950.00 per day for each day of event rental of the Casa de la Vista;

Parcel B: $2,000.00 per day for each Friday, Saturday and Sunday rental, and $1,000 for each Monday, Tuesday, Wednesday, and Thursday rental, of the Library;

Parcel C: $700.00 per day for each event rental with catering services, and $1,500.00 per day for each event rental without catering services, of the Chapel;

Parcel D: $500.00 per day for each day of event rental of the Fogwatch Picnic Area;

Parcel E: $3,000 per day for each day of event rental of the Building One Lobby; and

Parcel F: 6,500.00 per month.

Base Rent for Parcels A through E shall be reduced in accordance with any discounts provided to eligible entities and persons under the Event Venue Rate Schedule attached hereto as Exhibit G.

If Sublandlord, in its sole and absolute discretion, approves one or more extensions of the Sublease Term beyond November 30, 2010, then the Base Rent for Parcels A through F shall be reviewed and revised by Sublandlord on an annual basis; provided however, the Monthly Base Rent for Parcel F (Pavilion By the Bay) shall be no less than the following schedule unless approved by the Sublandlord in its sole and absolute discretion:

December 1, 2010 to November 30, 2011 -- $8,500.00 per month
December 1, 2011 to November 30, 2012 -- $10,500.00 per month
December 1, 2012 to February 28, 2013 -- $10,500.00 per month

Percentage Rent: JV shall pay (i) Base Rent in the amount set forth above and (ii) three percent (3%) of Gross Food and Beverage Sales Revenues of all parcels.

Use: Marketing, managing, and catering of the Premises for special events only and for no other purpose.

The JV will have the exclusive right to provide catering services at the Premises, subject to a "buy out" provision in accordance with a fee schedule approved by the Authority

Security Deposit: $10,000.00

RECOMMENDATION

The Project Staff recommends that the Authority Board of Directors approve the proposed Second Amendment to Sublease with the Treasure Island Homeless Development Initiative, a California nonprofit corporation, Toolworks, a California nonprofit corporation, and Wine Valley, Inc., a California corporation, and authorize the Director of Island Operations or her designee to execute said Second Amendment for the rental of Parcel A: Casa de la Vista; Parcel B: The Library; Parcel C: The Chapel; Parcel D: Fogwatch Picnic Area; Parcel E: Lobby of the Main Administration Building; and Parcel F: Pavilion By The Bay, on Treasure Island, for a month-to-month term, and subject to the additional terms and conditions set forth above.

EXHIBIT A – Second Amendment to Sublease No. 98 between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative, a California nonprofit corporation, Toolworks, a California nonprofit corporation, and Wine Valley, Inc., a California corporation

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

[Second Amendment to Sublease for Casa de la Vista, The Library, The Chapel, Fogwatch Picnic Area, Lobby of the Main Administration Building, and Pavilion By The Bay, Treasure Island]

Resolution Approving and Authorizing the Execution of a Second Amendment to the Sublease No. 98 with the Treasure Island Homeless Development Initiative, a California nonprofit corporation, Toolworks, a California nonprofit corporation, and Wine Valley, Inc., a California corporation, for Parcel A: Casa de la Vista; Parcel B: Building 265 (the Library); Parcel C: The Chapel; Parcel D: Fogwatch Picnic Area; Parcel E: Lobby of the Main Administration Building (Building 1); and Parcel F: Pavilion By The Bay, Treasure Island

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, The Treasure Island Homeless Development Initiative, a California nonprofit corporation ("TIHDI"), Toolworks, a California nonprofit corporation, and Wine Valley,

Inc., a California corporation doing business as Wine Valley Catering (hereafter collectively referred to as the Joint Venture ("JV")), are currently managing events on Treasure Island, namely at the Casa de la Vista, the Library, the Chapel, the Fogwatch Picnic Area, the Lobby of the Main Administration Building, and the Pavilion By the Bay (the "Event Venues District") in accordance with the Sublease approved by the Authority Board on November 12, 2008; and,

WHEREAS, At the March 11, 2009 Board meeting, the Authority Board approved a First Amendment to Sublease No. 98 ("First Amendment"), that addressed increased construction cost of the Pavilion By the Bay by increasing Base Rent and Percentage Rent payable under the Sublease as follows: Parcel A: $2,950.00 per day for each Sunday, Monday, Tuesday, Wednesday, Thursday, and Friday, and $3,950.00 for each Saturday rental of the Casa de la Vista; Parcel B: $2,500.00 per day for each Sunday, Monday, Tuesday, Wednesday, Thursday, and Friday, and $3,500.00 for each Saturday rental of the Library; Parcel C: $700.00 per day for each event rental with catering services, and $1,500.00 per day for each event rental without catering services, of the Chapel; Parcel D: $500.00 per day for each day of event rental of the Fogwatch Picnic Area; and Parcel E: $3,000 per day for each day of event rental of the Building One Lobby; and,

WHEREAS, Under the proposed Second Amendment to Sublease ("Second Amendment"), the JV is requesting an extension of its month-to-month Sublease, including the exclusive right to market, operate, and manage the Event Venues District for the purpose of operating special events on Treasure Island; and,

WHEREAS, Although the JV has been able to sustain venue sales through effective marketing and promotional programs under the current economic climate, Authority staff and the JV have reviewed comparables of similar venues and concluded a modification to the event rental fees for the Casa de la Vista and Library is needed as follows: Parcel A:

$3,950.00 per day for each day of event rental of the Casa de la Vista; and Parcel B: $2,000.00 per day for each Friday, Saturday, and Sunday, and $1,000 for each Monday, Tuesday, Wednesday, and Thursday, rental of the Library; and,

WHEREAS, In order to enable other catering companies to better utilize and access our public venues, Authority staff and the JV propose to decrease the catering buy out fee from $10,000 for all venues to the following: Parcel A: $7,500 for Saturday, and $5,000 for Sunday through Friday, catering buyout of the Casa de la Vista; Parcel B: $2,500 for catering buyout of the Library; Parcel C: not applicable; Parcel D: not applicable; and Parcel E: $7,500 for Saturday, and $5,000 for Sunday through Friday, catering buyout of the Building One Lobby; and,

WHEREAS, The proposed Second Amendment also allows for a 20% discount on venue pricing Sunday through Friday to all verifiable 501(c)(3) nonprofit entities, Island residents, active City and County of San Francisco employees, and active military and veterans, excluding the Pavilion By The Bay; and,

WHEREAS, The JV has exceeded expectations in bookings for special events on Treasure Island and increasing event rental revenues for the Authority, and has successfully provided employment and job training for homeless, at risk and/or disabled residents; and,

WHEREAS, The Authority staff recommends entering into the Second Amendment; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Second Amendment to the Sublease with the Treasure Island Homeless Development Initiative, a California nonprofit corporation, Toolworks, a California nonprofit corporation, and Wine Valley, Inc., a California corporation, for Parcel A: Casa de la Vista; Parcel B: The Library; Parcel C: The Chapel; Parcel D: Fogwatch Picnic Area; Parcel E: Lobby of the Main Administration Building; and Parcel F: Pavilion By The Bay, and authorizes the Director of Island Operations or her

designee to execute said Second Amendment in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Second Amendment will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Second Amendment are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Second Amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Second Amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 18, 2009.

_____

Helen Nigg, Secretary

ITEM 7F, EXHIBIT A

SECOND AMENDMENT TO SUBLEASE NO. 98

THIS SECOND AMENDMENT TO SUBLEASE (this "Second Amendment"), dated for reference purposes only as of December 1, 2009, is by and among the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and the TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE, a California nonprofit corporation ("TIHDI"), TOOLWORKS, a California nonprofit corporation ("Toolworks"), and WINE VALLEY, INC., a California corporation doing business as Wine Valley Catering ("Wine Valley") (collectively, "Subtenant").

RECITALS

A. Sublandlord and Subtenant entered into that certain Sublease dated for reference purposes as of December 1, 2008 (the "Original Sublease"), for Parcel A: Casa de la Vista; Parcel B: The Library; Parcel C: The Chapel; Parcel D: Fogwatch Picnic Area; Parcel E: Lobby of the Main Administration Building; and Parcel F: Pavilion By The Bay, which is a temporary membrane tent comprising approximately 13,500 square feet that Subtenant has installed on approximately 42,750 square feet of land located between Third and Fourth Streets and Avenue of the Palms, Treasure Island, San Francisco, California (the "Premises").

B. Sublandlord and Subtenant entered into that certain First Amendment To Sublease dated for reference purposes as of April 1, 2009 (the "First Amendment"), to, among other things, increase the Base Rent. The term of the Original Sublease, as amended by the First Amendment, expires on November 30, 2009. The Original Sublease as amended by the First Amendment and this Second Amendment are collectively referred to as the "Sublease." All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Sublease.

C. Sublandlord and Subtenant desire to amend the Sublease to, among other things, extend the Term and revised the Base Rent, on the terms and conditions set forth in this Second Amendment.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Sublandlord and Subtenant hereby amend the Sublease as follows:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.

2. **Effective Date.** The effective date of this Second Amendment shall be December 1, 2009 (the "Effective Date").

3. **Term.** As of the Effective Date, the Term described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

> "Commencement date: December 1, 2008
> Expiration date: November 30, 2010
>
> Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party."

4. **Base Rent**. As of the Effective Date, the Base Rent described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Parcel A: $3,950.00 per day for each day of event rental of the Casa de la Vista;

Parcel B: $2,000.00 per day for each Friday, Saturday, and Sunday rental, and $1,000.00 for each Monday, Tuesday, Wednesday, and Thursday rental of the Library;

Parcel C: $700.00 per day for each event rental with catering services, and $1,500.00 per day for each event rental without catering services, of the Chapel;

Parcel D: $500.00 per day for each day of event rental of the Fogwatch Picnic Area;

Parcel E: $3,000 per day for each day of event rental of the Building One Lobby; and

Parcel F: $6,500.00 per month.

Base Rent for Parcels A through E shall be reduced in accordance with any discounts provided to eligible entities and persons under the Event Venue Rate Schedule attached hereto as Exhibit G.

If Sublandlord, in its sole and absolute discretion, approves one or more extensions of the Sublease Term beyond November 30, 2010, then the Base Rent for Parcels A through F shall be reviewed and revised by Sublandlord on an annual basis; provided however, the Monthly Base Rent for Parcel F (Pavilion By the Bay) shall be no less than the following schedule unless approved by the Sublandlord in its sole and absolute discretion:

December 1, 2010 to November 30, 2011 -- $8,500.00 per month
December 1, 2011 to November 30, 2012 -- $10,500.00 per month
December 1, 2012 to February 28, 2013 -- $10,500.00 per month"

5. **Exhibit G**. As of the Effective Date, Exhibit G the Sublease is hereby deleted in its entirety and replaced with the following Exhibit G attached hereto.

6. **Counterparts**. This Second Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof.

7. **Full Force and Effect**. Except as specifically amended herein, the terms and conditions of the Sublease shall remain in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Second Amendment to Sublease at San Francisco, California, as of the date first above written.

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

SUBTENANT:

TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE,
a California non-profit corporation

By: _____
Sherry Williams
Its: Executive Director

TOOLWORKS,
a California non-profit corporation

By: _____
Steven Crabiel
Its: Executive Director

WINE VALLEY INC.,
a California Corporation doing business as Wine Valley Catering

By: _____
Jack Nathanson
Its: Director

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Amendment Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

EXHIBIT "G"
TREASURE ISLAND DEVELOPMENT AUTHORITY

EVENT VENUE RATE SCHEDULE

VENUE	RENTAL PERIOD	Friday, Saturday, and Sunday	Monday, Tuesday, Wednesday, and Thursday
Parcel A: Casa de la Vista	8 hours	$3,950	$3,950
Parcel B: The Library	8 hours	$2,000	$1,000
Parcel C: Chapel	3 hours	$700 with Catering $1,500 No Catering	$700 with Catering $1,500 No Catering
Parcel D: Fogwatch Picnic Area	8 hours	$500	$500
Parcel E: Building 1 Lobby	8 hours	$3,000	$3,000

DISCOUNTS

Active City and County of San Francisco Employees
Treasure and Yerba Buena Island Residents
Non- Profits with 501c3 Status
Active Military and Veterans
Receive a 20% discount on Venue Pricing Sunday through Friday.
No discounts given on Saturdays.

BUYOUT

Catering Food Buyout at the time of booking Facility.
Casa de la Vista: $7,500 for Saturday, & $5,000 for Sunday through Friday catering buyout;
Library: $2,500 for catering buyout;
Chapel: not applicable;
Fogwatch Picnic Area: not applicable; and
Building 1 Lobby:$7,500 for Saturday, & $5,000 for Sunday through Friday catering buyout

RATES ARE SUBJECT TO CHANGE (Approved by TIDA Board 11/18/2009

AGENDA ITEM 8
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 18, 2009

Subject: Resolution Approving and Authorizing the Execution of a Sublease with Bay Ship and Yacht Co., a California corporation for Parcel A: approximately 1,890 linear feet of berthing space located at Pier One; and Parcel B: approximately 95,000 square feet of Pier space located at Pier One, Treasure Island.

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

Bay Ship and Yacht Co., a California corporation (hereafter referred to as "Bay Ship"), has been in business for over 30 years providing full service ship repair that specializes in modern ship repair of cargo vessels, tankers, tugs, barges, ferries and fishing vessels. Bay Ship's Alameda shipyard has evolved into a state of the art facility. Bay Ship employs over 250 skilled craftsmen with a broad range of expertise who are employed from within the local community.

In July 2009, Bay Ship approached the Authority with a proposal to use Pier One for vessel storage. As part of the proposal, Bay Ship would make improvements to the Pier fenders as well as provide replacement fencing and security upgrades. In mid-August 2009, one of the tugboats located on Pier One (the "Wenonah") sank and released fuel and oil into the Bay. The United States Coast Guard conducted a response action and raised the tugboat. The Authority, in cooperation with the United States Coast Guard and the owner of the Wenonah, sought to transport the Wenonah to another location for dismantling. However, due to various circumstances, including the weight of the Wenonah being substantially more than estimated, the parties were unable to accomplish the task. The Wenonah was patched and temporarily docked at Pier One. Bay Ship approached the Authority with a revised proposal that included Bay ship's acquisition of title to both tugboats, the Wenonah and the Nokomis, and removal of both tugboats from Pier One. The Authority estimates the cost of removing both vessels to be over $175,000.

Under the proposed Sublease, Bay Ship is requesting a month-to-month term commencing on November 20, 2009 for Parcel A: approximately 1,890 linear feet of berthing space located at Pier One; and Parcel B: approximately 95,000 square feet of Pier space located at Pier One, Treasure Island.

SUBLEASE TERMS AND CONDITIONS

Bay Ship will sign the Authority's standard form Sublease agreement. The salient terms and conditions of the proposed Sublease include the following:

Premises:	Parcel A: approximately One Thousand Eight Hundred and Ninety (1,890) linear feet of berthing space located at Pier One; and Parcel B: approximately Ninety Five Thousand (95,000) square feet of Pier space located at Pier One, Treasure Island, San Francisco, CA. as more particularly shown on Exhibit B, attached hereto. Subtenant acknowledges and agrees that from time to time, Sublandlord makes portions of Pier One and the adjacent waterside area commonly known as Clipper Cove available to third parties for use in connection with marina activities, special events and other purposes. Subtenant further acknowledges and agrees to coordinate and accommodate shared uses of Pier One as required by Sublandlord.
Commencement Date:	November 20, 2009
Lease Expiration Date:	November 30, 2010
Lease Term:	Month-to-Month
Base Rent:	Early Entry: Commencing November 20, 2009 and ending December 31, 2009, the Subtenant shall be provided Early Entry for the sole purpose of installing equipment and performing Subtenant's Work described below. During the Early Entry period, Subtenant shall not pay Base Rent but shall be subject to all other terms and conditions set forth in the Sublease. Commencing January 1, 2010, Monthly Base Rent shall be: Two Thousand and Five Hundred Dollars ($2,500.00) per month. As additional consideration for this Sublease, Subtenant shall, at its sole cost and expense, (i) repair and install fenders, floats, and a gangway at Pier One, (ii) upgrade the fencing and lighting in and around the Premises, and (iii) obtain possession and remove two existing tugboats from Pier One (the Nokomis and Wenonah), which are the property of the Historic Tugboat Education and Restoration Society (collectively, "Subtenant's Work"). Subtenant's Work is more particularly described in the Description

of Subtenant's Work attached to the Sublease. The total cost of Subtenant's Work including the removal of the two tugboats, is estimated to be over $175,000. Subtenant's Work shall be performed in accordance with Section 8.1 (Alterations) of the Sublease. Subtenant shall not be entitled to any allowances or credits for Subtenant's Work.

Use:

The Premises shall be used solely for berthing vessels, yachts, and barges only, and for no other purpose. Subtenant may perform occasional pier-side cleaning and light maintenance only on vessels, yachts and barges (including splicing lines and cables, minor painting, cleaning, and minor welding inside of vessels) provided that no debris or any other material is released into Bay waters, left to remain on the Premises or on areas adjacent to the Premises.

Subtenant shall be prohibited from using the Premises for any of the following uses:

(a) Passenger loading or unloading of any kind;
(b) Bilge discharge or discharge of any oily liquid into Bay waters;
(c) Heavy maintenance, including oil changes or transfers;
(d) Sandblasting of vessel surfaces;
(e) Washing of vessels, except with biodegradable soap and clean water; and
(f) Storage of Hazardous Materials, as defined in Section 20.1, on vessels and directly on Pier One.
(g) Overnight storage of maintenance equipment and supplies on Pier 1 without written consent of the Authority.
(h) Affixing of any equipment onto the structure and substructure of Pier 1 without written consent of the Authority.
(i) Operation of a marina, or offering for rent, berthing, or lease any slip space, berthing space, tie up rights, overnight boat storage or all similar activities on the Premises that compete, either directly or indirectly, with the interim operation of the Treasure Island marina or long term plans for operation of the Treasure Island marina by Treasure Island Enterprises, LLC, any other marina activities, yacht or boat sales, brokerage, consignment or rentals, chandlery services and other activities ancillary to marina operations

Tenant shall, at all times, operate in compliance with the Sublandlord-approved Operations Plan attached to the Sublease.

Security Deposit: Five Thousand Dollars ($5,000.00)

PROPOSED MONTHLY BASE RENT

Under the Authority's Interim Subleasing Policy, the Minimum Rental Rate Schedule sets ranges of minimum sublease rental rates per square foot by type of use and facility for office and industrial space. Authority Staff reviews and analyzes available commercial data including market comparables of properties similarly situated to the Authority properties and evaluates the Authority transactions over the past 12 months to establish fair market value. Per the current

Minimum Rental Rate Schedule under the Subleasing Policy, the minimum rental rate for pier space is $0.10 PSF.

Authority Staff and Bay Ship have negotiated a Sublease with a monthly rental rate of $.03 per square foot. Although the rental rate of $.03 per square foot is $.07 per square foot below the Authority Approved Minimum Rent Schedule for 2009 and 2010, Authority staff believes the public and community benefits associated with the removal of the two vessels by Bay Ship far exceed the rental rate difference and represents fair market value at this time.

Under the Authority's Interim Sublease Policy, Early Entry is set at 30 days for the purpose of preparing for occupancy. Bay Ship is requesting early entry commencing November 20, 2009 and ending December 31, 2009, to address pier improvements and removal of the two tugboats. During this early entry period, Bay Ship will not pay Base Rent but shall be subject to all other terms and conditions set forth in the Sublease. Commencing January 1, 2010, Bay Ship will pay the monthly Base Rent as outlined above.

FINANCIAL IMPACT

The new Sublease will provide an increase of approximately $30,000.00 per year to the Authority's budget.

RECOMMENDATION

The Authority Staff recommends that the Authority Board of Directors approve the proposed Sublease with First Bay Ship and Yacht Co., a California corporation, and authorize the Director of Island Operations or her designee to execute said Sublease for Parcel A: approximately 1,890 linear feet of berthing space located at Pier One; and Parcel B: approximately 95,000 square feet of Pier space located at Pier One, Treasure Island, for a month-to-month term, and subject to the additional terms and conditions set forth above.

EXHIBIT A –Sublease No. 201 between the Treasure Island Development Authority and Bay Ship and Yacht Co., a California corporation

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

[Sublease with Bay Ship and Yacht Co.]

Resolution Approving and Authorizing the Execution of a Sublease with Bay Ship and Yacht Co., a California corporation, for Parcel A: approximately 1,890 linear feet of berthing space located at Pier One; and Parcel B: approximately 95,000 square feet of Pier space located at Pier One, Treasure Island.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Bay Ship and Yacht Co., a California corporation (hereafter referred to as "Bay Ship"), has been in business for over 30 years providing full service ship repair that specializes in modern ship repair of cargo vessels, tankers, tugs, barges, ferries and fishing vessels; and,

WHEREAS, Bay Ship's Alameda shipyard has evolved into a state of the art facility employing over 250 skilled craftsmen with a broad range of expertise who are employed from within the local community; and,

WHEREAS, In July 2009, Bay Ship approached the Authority with a proposal to use Pier One for vessel storage that offered to make improvements to the Pier fenders as well as provide replacement fencing and security upgrades; and,

WHEREAS, In mid-August 2009, one of the tugboats located on Pier One (the "Wenonah") sank and released fuel and oil into the Bay, and the Authority, in cooperation with the United States Coast Guard and the owner of the Wenonah, sought to transport the Wenonah to another location for dismantling, however, due to various circumstances, including the weight of the Wenonah being substantially more than estimated, the parties were unable to accomplish the task; and,

WHEREAS, Bay Ship approached the Authority with a revised proposal that included Bay Ship's acquisition of title to both tugboats, the Wenonah and the Nokomis, and removal of both tugboats from Pier One; and,

WHEREAS, Under the proposed Sublease, Bay Ship is requesting a month-to-month term commencing on November 20, 2009 for Parcel A: approximately 1,890 linear feet of berthing space located at Pier One; and Parcel B: approximately 95,000 square feet of Pier space located at Pier One, Treasure Island, with a base rent of $2,500 per month or $.03 per square foot; and,

WHEREAS, Although the rental rate of $.03 per square foot is $.07 per square foot below the Authority Approved Minimum Rent Schedule for 2009 and 2010, Authority staff believes the public and community benefits associated with the removal of the two vessels by Bay Ship far exceed the rental rate difference and represents fair market value at this time; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Sublease to Bay Ship for Parcel A: approximately 1,890 linear feet of berthing space located at Pier One; and Parcel B: approximately 95,000 square feet of Pier space located at Pier One, Treasure Island and

authorizes the Director of Island Operations or her designee to execute said Sublease in substantially the form attached hereto as Exhibit A; provided, that the Director of Island Operations is authorized to delay execution of the Sublease until Bay Ship obtains title to the tugboats by quitclaim or other appropriate means; and, be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Sublease will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Sublease are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Sublease that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Sublease, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 18, 2009.

_____

Helen Nigg, Secretary

ITEM 8

SUBLEASE No. 201

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

BAY SHIP AND YACHT CO.
a California corporation

as Subtenant

For the Sublease of

Pier One

Treasure Island Naval Station
San Francisco, California

November 20, 2009

TREASURE ISLAND SUBLEASE

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LIST OF EXHIBITS:

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated for reference purposes only as of November 20, 2009, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and BAY SHIP and YACHT CO., a California corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated September 4, 1998, as amended from time to time (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property located on Treasure Island Naval Station (the "Property"), as more particularly described in the Master Lease.

B. Subtenant desires to sublet from Sublandlord, and Sublandlord is willing to sublet to Subtenant, a portion of the Property on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. BASIC SUBLEASE INFORMATION

The following is a summary of basic sublease information (the "Basic Sublease Information"). Each item below shall be deemed to incorporate all of the terms of this Sublease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Sublease, the more specific provision shall control.

Sublease Reference Date:	November 20, 2009
Sublandlord:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation
Subtenant:	BAY SHIP AND YACHT CO., a California corporation

Subleased Premises (Section 2.1):	Parcel A: approximately One Thousand Eight Hundred and Ninety (1,890) linear feet of berthing space located at Pier One; and Parcel B: approximately Ninety Five Thousand (95,000) square feet of Pier space located at Pier One, Treasure Island, San Francisco, CA. as more particularly shown on Exhibit B, attached hereto. Subtenant acknowledges and agrees that from time to time, Sublandlord makes portions of Pier One and the adjacent waterside area commonly known as Clipper Cove available to third parties for use in connection with marina activities, special events and other purposes. Subtenant further acknowledges and agrees to coordinate and accommodate shared uses of Pier One as required by Sublandlord.
Facility:	Pier One
Term: (Section 4.1):	Commencement date: November 20, 2009 Expiration date: November 30, 2010 Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

Base Rent (Section 5.1):	Early Entry: Commencing November 20, 2009 and ending December 31, 2009, the Subtenant shall be provided forty two (42) days of Early Entry for the sole purpose of installing equipment and performing Subtenant's Work described below. During the Early Entry period, Subtenant shall not pay Base Rent but shall be subject to all other terms and conditions set forth in the Sublease. Commencing January 1, 2010, Monthly Base Rent shall be: Two Thousand and Five Hundred Dollars ($2,500.00) per month. As additional consideration for this Sublease, Subtenant shall, at its sole cost and expense, (i) repair and install fenders, floats, and a gangway at Pier One, (ii) upgrade the fencing and lighting in and around the Premises, and (iii) obtain possession and remove two existing tugboats from Pier One (the Nokomis and Wenonah), which are the property of the Historic Tugboat Education and Restoration Society (collectively, "Subtenant's Work"). Subtenant's Work is more particularly described in the Description of Subtenant's Work / Operations Plan attached hereto as Exhibit G. The total cost of Subtenant's Work including the removal of the two tugboats, is estimated to be over $175,000. Subtenant's Work shall be performed in accordance with Section 8.1 (Alterations). Subtenant shall not be entitled to any allowances or credits for Subtenant's Work.
Rent Adjustment Date(s) (Section 5.2):	Not applicable
Rent Increase Percentage (Section 5.2):	Not applicable

Use (Section 7.1):

The Premises shall be used solely for berthing vessels, yachts, and barges only, and for no other purpose. Subtenant may perform occasional pier-side cleaning and light maintenance only on vessels, yachts and barges (including splicing lines and cables, minor painting, cleaning, and minor welding inside of vessels) provided that no debris or any other material is released into Bay waters, left to remain on the Premises or on areas adjacent to the Premises.

Subtenant shall be prohibited from using the Premises for any of the following uses, which together with any other uses prohibited in this Sublease are collectively referred to as the "Prohibited Uses":

(a) Passenger loading or unloading of any kind;
(b) Bilge discharge or discharge of any oily liquid into Bay waters;
(c) Heavy maintenance, including oil changes or transfers;
(d) Sandblasting of vessel surfaces;
(e) Washing of vessels, except with biodegradable soap and clean water; and
(f) Storage of Hazardous Materials, as defined in Section 20.1, on vessels and directly on Pier One.
(g) Overnight storage of maintenance equipment and supplies on Pier 1 without written consent of the Authority.
(h) Affixing of any equipment onto the structure and substructure of Pier 1 without written consent of the Authority.
(i) Operation of a marina, or offering for rent, berthing, or lease any slip space, berthing space, tie up rights, overnight boat storage or all similar activities on the Premises that compete, either directly or indirectly, with the interim operation of the Treasure Island marina or long term plans for operation of the Treasure Island marina by Treasure Island Enterprises, LLC, any other marina activities, yacht or boat sales, brokerage, consignment or rentals, chandlery services and other activities ancillary to marina operations

Sublandlord shall have all remedies set forth in this Sublease, and at law or equity in the event Subtenant performs any of the Prohibited Uses as defined above.

	Tenant shall, at all times, operate in compliance with the Sublandlord-approved Work / Operations Plan attached hereto as Exhibit G. The Plan must document procedures for the entire operation including over water transfers, Hazardous Materials handling, Hazardous Materials storage, and spill prevention and response. Non-compliance with the Operations Plan is a material breach of this Sublease. Changes to the Operations Plan shall be made only with the approval of the Sublandlord's Director of Island Operations.
Repair Amount (Section 13.1):	Ten Thousand Dollars ($10,000)
Security Deposit (Section 19.3):	Five Thousand Dollars ($5,000.00)
Notice Address of Sublandlord (Section 21.1):	Treasure Island Development Authority Treasure Island Project Office One Avenue of Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn: Mirian Saez Director of Island Operations Fax No.: 415-274-0299 with a copy to: Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Eileen M. Malley Fax No.: (415) 554-4755

Notice Address of Subtenant (Section 21.1):	Bay Ship and Yacht Co. 2900 Main Street, # 2100 Alameda, CA 94501 Attn: William Elliott Telephone No. (510) 337-9122 Fax No. (510) 337-0154
Notice Address of Master Landlord (Section 21.1):	Department of The Navy Base Realignment and Closure Program Management Office West 1455 Frazee Road, Suite 900 San Diego, CA 92108-4310 Fax #: (619) 532-9858
Other Noteworthy Provisions (Addendum to Sublease):	See Addendum to Sublease

2. PREMISES

2.1. **Subleased Premises**. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises. Subtenant shall have the non-exclusive right to use, together with other subtenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility and the Property.

In the event Subtenant uses or occupies space outside the Premises without the prior written consent of Sublandlord (the "Encroachment Area"), then upon written notice from Sublandlord ("Notice to Vacate"), Subtenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Subtenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Sublandlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably determined by Sublandlord (the "Encroachment Area Charge"). If Subtenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Sublandlord of the Encroachment Area Charge be deemed a consent by Sublandlord to the use or occupancy of the Encroachment Area by Subtenant or a waiver (or be deemed as waiver) by Sublandlord of any and all other rights and remedies of Sublandlord under this Sublease (including Subtenant's obligation to indemnify, defend and hold

Sublandlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Two Hundred Dollars ($200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Sublandlord determines during subsequent inspection(s) that Subtenant has failed to vacate the Encroachment Area, then Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Three Hundred Dollars ($300.00) for each additional Notice to Vacate, if applicable, delivered by Sublandlord to Subtenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Sublandlord will incur by reason of Sublandlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Subtenant's failure to comply with the applicable Notice to Vacate and Sublandlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Sublandlord under this Sublease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Sublandlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 16 below shall also apply to Subtenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Subtenant shall additionally indemnify, defend and hold Sublandlord harmless from and against any and all loss or liability resulting from delay by Subtenant in so surrendering the Encroachment Area including, without limitation, any loss or liability resulting from any claims against Sublandlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Sublandlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: _____ Sublandlord _____ Subtenant

2.2. As Is Condition of Premises.

(a) Inspection of Premises. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their

respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) As Is; Disclaimer of Representations. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) Seismic Report. Without limiting Section 2.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the

Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

3. COMPLIANCE WITH MASTER LEASE

3.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein.

3.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities or HVAC services, or the performance of any other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities or HVAC services, or the performance of any of Master Landlord's obligations under the Master Lease.

3.3. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

3.4. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

4. TERM

4.1. Term of Sublease. The term of this Sublease (the "Term") shall commence on the Commencement Date set forth in the Basic Sublease Information, and expire on the Expiration Date set forth in the Basic Sublease Information, unless sooner terminated pursuant to the terms of this Sublease.

4.2. Effective Date. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

4.3. Automatic Termination. If the Master Lease terminates for any reason whatsoever, this

Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

4.4. **Termination by Sublandlord**. Subtenant's period of occupancy of the Premises is subject to Sublandlord's right to terminate this Sublease as provided herein at such time as Sublandlord determines, in its sole discretion, that the Premises are needed in connection with a Sublandlord program or project. As used herein, "Sublandlord program or project" shall mean any development or renovation, by public and/or private parties, of the building or land in or on which the Premises are located. In the event of any such development or renovation, Sublandlord shall have the right to terminate this Sublease without liability or expense upon delivery to Subtenant of thirty (30) days prior written notice of such termination. Subtenant agrees and shall be required to surrender possession of the Premises by the end of such thirty (30) day period.

4.5. **No Relocation Assistance; Waiver of Claims**. Subtenant acknowledges that it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S. C. 4601 et seq. ("URA"), and that Subtenant will not be entitled to any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Subtenant's Lease and Subtenant's relocation from the Premises. Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, agents, contractors and successors and assigns and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.).

Initials: _____Subtenant

5. RENT

5.1. **Base Rent.** Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord Base Rent in the amount set forth in the Basic Sublease Information. Base Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 21.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

5.2. **Adjustments in Base Rent**. If this Sublease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Sublease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

5.3. **Additional Charges**. In addition to Base Rent, Subtenant shall pay all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Subtenant under this Sublease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

5.4. **Late Charge**. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

5.5. **Default Interest**. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

6. TAXES, ASSESSMENTS AND OTHER EXPENSES

6.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) Payment Responsibility. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) Taxability of Possessory Interest. Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) No Liens. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) Reporting Information. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

6.2. Evidence of Payment. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

7. USE; COVENANTS TO PROTECT PREMISES

7.1. Subtenant's Permitted Use. Subtenant may use the Premises for the Permitted Use set forth in the Basic Sublease Information, but for no other purpose without the prior written consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion.

7.2. Subtenant's Access to the Premises. As provided in Section 30 of the Master Lease, Subtenant shall have access to the Premises on a 24-hours per day, seven days a week basis; provided, however, Subtenant shall coordinate such access with the local representative of Master Landlord.

7.3. **Rules and Regulations**. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time.

7.4. **Easements**. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

7.5. **No Interference with Navy Operations**. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Subtenant's use of the Premises in the event of any conflict; provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

7.6. **No Unlawful Uses, Nuisances or Waste**. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

8. ALTERATIONS

8.1. **Alterations**. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in

Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

8.2. Historic Properties. Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Master Landlord's and Sublandlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

8.3. Ownership of Alterations. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 8 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 19 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 8.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

8.4. Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant, subject to the provisions of Section 19 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

8.5. Sublandlord's Alterations. Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

9. REPAIRS AND MAINTENANCE

9.1. **Subtenant Responsible for Maintenance and Repair**. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

9.2. **Utilities**. Sublandlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

9.3. **Landscaping.** Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair.

9.4. **Janitorial Services**. Subtenant shall provide all janitorial services for the Premises.

9.5. **Pest Control**. Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

9.6. **Trash**. Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit D. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

9.7. **No Right to Repair and Deduct**. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any

part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

10. LIENS

10.1. Liens. Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

11. COMPLIANCE WITH LAWS

11.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Sublease below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

11.2. Regulatory Approvals.

(a) Responsible Party. Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

11.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

12. ENCUMBRANCES

12.1. Encumbrance By Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

13. DAMAGE OR DESTRUCTION

13.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 17 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 19 (except for damage caused by a casualty pursuant to which this Sublease may be terminated under this Section 13.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 13.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 8.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

13.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 13.1 above, there shall be no abatement in the Rent payable hereunder.

13.3. Waiver. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

14. ASSIGNMENT AND SUBLETTING

14.1. Restriction on Assignment and Subletting. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion. Subtenant shall provide Sublandlord with a written notice of its intention to Transfer this Sublease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Subtenant shall provide Sublandlord with such information regarding the proposed Transfer as Sublandlord may reasonably request.

14.2. Bonus Rental. If Sublandlord consents to a Transfer of any of Subtenant's interest in or rights with respect to the Premises pursuant to Section 14.1 above, then one hundred percent (100%) of any rent or other consideration payable to Subtenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Sublandlord immediately upon receipt by Subtenant.

15. DEFAULT; REMEDIES

15.1. Events of Default. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) Failure to Pay Rent. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) Covenants, Conditions and Representations. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease; provided, Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord;

(c) Vacation or Abandonment. Any abandonment of the Premises for more than fourteen (14) consecutive days;

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted; and

(e) Notices of Default. The delivery to Subtenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Subtenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Sublease allowing the Authority to immediately terminate this Sublease without further notice or demand to Subtenant.

15.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages**. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver**. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

15.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

16. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

16.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not

take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Sublease the Premises to Subtenant,

regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 16.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

16.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of

the Premises or any Alterations; (e) any construction or other work undertaken by Subtenant on or about the Premises; and (f) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

17. INSURANCE

17.1. Required Insurance Coverage. Subtenant, at its sole cost and expense, shall maintain, or cause to be maintained, through the Term of this Sublease, the following insurance:

(a) General Liability Insurance. Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars ($1,000,000), explosion, collapse and underground (XCU).

(b) Automobile Liability Insurance. Comprehensive or business automobile liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Subtenant's activity on the Premises or the Permitted Use.

(c) Worker's Compensation and Employer's Liability Insurance. If Subtenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars ($1,000,000.00) for each accident, injury or illness, on employees eligible for each.

(d) Personal Property Insurance. Subtenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Subtenant for the replacement of

Subtenant's personal property.

(e) **Other Coverage**. Such other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

17.2. **Claims-Made Policies**. If any of the insurance required in Section 17.1 above is provided under a claims-made form of policy, Subtenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Sublease, to the effect that should occurrences during the Term give rise to claims made after termination of this Sublease, such claims shall be covered by such claims-made policies.

17.3. **Annual Aggregate Limits**. If any of the insurance required in Section 17.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

17.4. **Payment of Premiums**. Subtenant shall pay the premiums for maintaining all required insurance.

17.5. **Waiver of Subrogation Rights**. Notwithstanding anything to the contrary contained herein, Sublandlord and Subtenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Sublease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

17.6. **General Insurance Matters**.

(a) All liability insurance policies required to be maintained by Subtenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF THE NAVY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Sublease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the

company's liability.

(b) All insurance policies required to be maintained by Subtenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Sublandlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Subtenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Subtenant and Sublandlord. Such notice shall be given in accordance with the notice provisions of Section 21.1 below.

(d) Subtenant shall deliver to Sublandlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Sublandlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Subtenant shall, upon Sublandlord's request, promptly furnish Sublandlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Sublandlord may require Subtenant to increase the insurance limits set forth in Section 17.1 above if Sublandlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Subtenant with respect to risks comparable to those associated with the use of the Premises.

(f) Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

(g) Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

18. ACCESS BY SUBLANDLORD

18.1. Access to Premises by Sublandlord.

(a) **General Access**. Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access**. In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability**. Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

18.2. **Access to Premises by Master Landlord**. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

19. SURRENDER

19.1. **Surrender of the Premises**. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 8.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980, et seq., of the California Civil Code or in any other manner allowed by Law.

19.2. **No Holding Over**. If Subtenant fails to surrender the Premises to Sublandlord upon the

termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

19.3. Security Deposit. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount set forth in the Basic Sublease Information as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 20.3, Sublandlord shall return such security deposit to Subtenant within forty-five (45) days of the termination of this Sublease.

20. HAZARDOUS MATERIALS

20.1. No Hazardous Materials. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed

pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Subtenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan, and with the requirements of the environmental protection provisions provided for in Section 13 of the Master Lease.

20.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 20.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 16.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration

of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

20.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

21. GENERAL PROVISIONS

21.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Sublease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 21.1 and applicable Laws, shall be deemed receipt of such notice.

21.2. **No Implied Waiver**. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

21.3. **Amendments**. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

21.4. **Authority**. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

21.5. **Joint and Several Obligations**. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

21.6. **Interpretation of Sublease**. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to

a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

21.7. Successors and Assigns. Subject to the provisions of Section 14, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

21.8. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

21.9. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

21.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

21.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving

this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

21.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

21.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

21.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

21.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

21.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or

member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

21.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

21.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

21.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

21.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

21.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord.

22. SPECIAL PROVISIONS

22.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

22.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

22.3. TIHDI Job Broker. Subtenant shall comply with the requirements of the TIHDI Work

Force Hiring Plan attached hereto as Exhibit F.

22.4. Local Hiring. Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

22.5. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) Sub-Subleases and Other Subcontracts. Subtenant shall include in all sub-subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such sub-subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all sub-subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all sub-subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) Non-Discrimination in Benefits. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) HRC Form. As a condition to this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-128-101 with supporting

documentation; and (ii) the HRC approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

22.6. MacBride Principles - Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

22.7. Tropical Hardwood and Virgin Redwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

22.8. Conflicts of Interest. Subtenant states that it is familiar with the provisions of Section 8.105 and 8.106 of the San Francisco Charter and certifies that it knows of no facts which would constitute a violation of such provisions. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful failure by Subtenant to make such disclosure, if any, shall constitute grounds for the Sublandlord's termination and cancellation of this Sublease.

22.9. Wages and Working Conditions. Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

22.10. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Sublandlord or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

22.11. Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which **(i)** prohibit the use of certain pesticides on City property, **(ii)** require the posting of certain notices and the maintenance of certain records regarding pesticide usage and **(iii)** require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that **(a)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, **(b)** describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and **(c)** identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

22.12. First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Subtenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

22.13. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco

Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

22.14. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord.

22.15. Charter Provision. This Sublease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

22.16. Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Sublease as though fully set forth. The text of the HCAO is available on the web at www.dph.sf.ca.us/HCRes/Resolutions/2004Res/HCRes102004.shtml. Capitalized terms used in this Section and not defined in this Sublease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to

pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Subtenant shall provide Sublandlord with access to records pertaining to compliance with the HCAO after receiving a written request from Sublandlord to do so and being provided at least five (5) business days to respond.

(j) Sublandlord may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with Sublandlord when it conducts such audits.

(k) If Subtenant is exempt from the HCAO when this Sublease is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000) (or [Fifty Thousand Dollars ($50,000) if Subtenant is a qualified nonprofit), but Subtenant later enters into an agreement or agreements that cause Subtenant's aggregate amount of all agreements with Sublandlord to reach Seventy-Five Thousand Dollars ($75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative

amount of agreements between Subtenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

22.17. Notification of Limitations on Contributions. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Subtenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Subtenant further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Subtenant's board of directors; Subtenant's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Subtenant; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Subtenant. Additionally, Subtenant acknowledges that Subtenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

22.18. Preservation-Treated Wood Containing Arsenic. As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

22.19. Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

22.20. Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

22.21. Estoppel Certificates. At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Sublease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Sublandlord. Sublandlord and Subtenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Sublandlord's interest in the Master Lease or this Sublease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Subtenant irrevocably appoints Sublandlord, as Subtenant's agent, to execute and deliver in the name of Sublandlord any such instrument if Subtenant fails to do so, which failure shall also be an Event of Default under this Sublease.

22.22. Addendum. The terms of the Addendum, if any, attached to this Sublease are incorporated into the Sublease by reference. In the event of any inconsistency between the Sublease and the Addendum, the terms of the Addendum shall control.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

BAY SHIP AND YACHT CO.,
a California corporation

By: _____

Its: _____

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Sublease Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

EXHIBIT A

MASTER LEASE

EXHIBIT B

DIAGRAM OF PREMISES

EXHIBIT C

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT D

RULES AND REGULATIONS

1. All rules and regulations set out in the Master Lease shall prevail.

2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Sublandlord.

3. Subtenant's contractors and invitees, while on the Premises or Subtenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Sublandlord and its agents, but will not be an agent or contractor of the Sublandlord or its agents. Subtenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Sublandlord.

4. Subtenant shall install and maintain at Subtenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

EXHIBIT E

STANDARD UTILITIES AND SERVICES AND RATES

Utilities Rate Schedule

Utility Service	Rate		Unit
Electric Rate	$	0.14	per kwh
Water Rate	$	5.40	per kgal
Sewer Rate	$	5.75	per kgal
Gas Rate	$	0.60	per therm

Rates are subject to adjustment.

Subtenant shall install utility Submeters to the satisfaction of Sublandlord.

Subtenant shall arrange for delivery of utility services to the premises by making a "Request for Utilities Services" by contacting:

San Francisco Public Utilities Commission
c/o Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mr. Vic Zorzinsky
(415) 274-0333

EXHIBIT F

TIHDI WORKFORCE HIRING AGREEMENT

EXHIBIT G

Description of Subtenant's Work / Operations Plan

Bay Ship & Yacht proposes to operate on Pier 1, Treasure Island as follows. Bay Ship & Yacht's operations are subject to all of the terms and conditions of the Sublease dated November 20, 2009. To the extent this Operations Plan is inconsistent with the any of the terms of the Sublease, the Sublease shall control.

- Provide management services to control the access to, and proper use of, the pier deck and berth spaces.
- Provide berthage for vessels, yachts and barges.
- Perform light maintenance of vessels, yachts and barges, to include minor painting, cleaning, welding and machine maintenance.
- Accomplish improvements to the pier, as outlined below.

Pier Access & Security Upgrades

- Provide additional chain link fencing with razor wire by extending north and south ends of fence to prevent access around barriers at low tide.
- Provide and install travel rail track and gates for automatic operation.
- Provide automation of pier access gate with the installation of a commercial slide gate operator, chain mechanism and keypad controller.
- Modify existing gate travel wheel mounting and reinstall. Connect travel mechanism.

Pier Services

- Electrical: Inspect existing electrical supply system for operational condition. Test breakers to prove operational. Check system for grounds & shorts and verify meters and control systems are operational. Provide cabling and connectors to supply vessels pierside.
- Freshwater: Pressurize FW supply system to prove tight. Cycle supply system valves to verify operational. Accomplish minor system repairs including valve packing renewal and in line gasket renewals.
- Sewage system: Pressurize sewage system piping and inspect for leaks. Accomplish minor system repairs including valve repacking and gasket renewals for portions of system to be utilized.

Superyacht and Ferry Moorage

- Fabricate a new floating dock for superyacht moorage. Structure to consist of (2) cylindrical steel floats, structural cross bracing & wooden decking. Blast & paint new steel structures. Air test to prove tight. Install bits and cleats.

- Transport new floating dock to the TI pier and secure to existing fendering structure.
- Fabricate and install a gangway platform attaching to existing pier structure.
- Provide and install a gangway with hinged attachment at platform and bottom rollers to ride on pier with the tide. Provide and install safe walking tread surfaces on platform and gangway and provide fall protection railing at edges in compliance with OSHA regulations. Provide lighting for platform & gangway for safe transit to floating pier.
- Furnish and install new wooden battens on fendering frames in locations that will be used for moorage of larger vessels.

Removal of Tugs

- Provide tug service along with line handlers to relocate (2) tugs from TI to BSY

Work to be Performed on Tugs After Relocation to BSY

- Build blocks, dock, vessels - (1) haul day + 60 laydays
- Pressure Wash Hull
- HP wash UWB, K-10' WL
- Scrape UWB 100%
- Accomplish Lead Abatement to Exterior
- Shroud DD & environmental protection
- Remove Fendering, etc
- SP-6 abatement in way of cutting
- Accomplish Lead Abatement to Interior
- Install scaffold, lighting, etc
- Accomplish SP-15 mechanical cleaning with pre-tox in way of cutting
- Provide waste disposal & clean up
- Scrap Vessel
- Remove & scrap hab, insulation, machinery, superstructure and hull steel structures
- Dispose of all haz-waste and waste products generated by the work. Recycle all possible reusable materials

ADDENDUM TO SUBLEASE No. 201
BETWEEN

THE TREASURE ISLAND DEVELOPMENT AUTHORITY
AND
BAY SHIP and YACHT CO., a California corporation

This is an Addendum to the Sublease dated as of November 6, 2009, between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Sublandlord"), and BAY SHIP and YACHT CO., a California corporation ("Subtenant"), relating to certain premises described in the Sublease.

This Addendum supersedes and replaces the terms of the Sublease to which it is attached to the extent of any inconsistency between the Sublease and this Addendum. All capitalized terms used in this Addendum and not defined herein shall have the meanings set forth in the Sublease.

Sublandlord and Subtenant agree as follows:

1. Amended Section 2.2 (b) - As Is; Disclaimer of Representations. Section 2.2 (b) of the Sublease is hereby deleted in its entirety and replaced with the following:

"(b) **As Is; Disclaimer of Representations**. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, master development and marina development partners, or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted

under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose."

2. Amended Section - 4.4 Termination by Sublandlord. Section 4.4 of the Sublease is hereby deleted in its entirety and replaced with the following:

"**4.4 Termination by Sublandlord**. Subtenant's period of occupancy of the Premises is subject to Sublandlord's right to terminate this Sublease as provided herein at such time as Sublandlord determines, in its sole discretion, that the Premises are needed in connection with a Sublandlord program or project. As used herein, "Sublandlord program or project" shall mean any development or renovation, by public and/or private parties, of the building or land in or on which the Premises are located, including but not limited to activities undertaken to develop the marina by Treasure Island Enterprises, LLC and activities undertaken to master develop the landside portions of Treasure Island and Yerba Buena Island by Treasure Island Community Development, LLC . In the event of any such development or renovation, Sublandlord shall have the right to terminate this Sublease without liability or expense upon delivery to Subtenant of thirty (30) days prior written notice of such termination. Subtenant agrees and shall be required to surrender possession of the Premises by the end of such thirty (30) day period."

3. Amended Section 7.4 - Easements. Section 7.4 of the Sublease is hereby deleted in its entirety and replaced with the following:

"**7.4 Easements and Other Third Party Rights**. This Sublease shall be subject to all rights granted to third parties under existing exclusive negotiating rights in effect as of the Effective Date and all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities."

4. Amended Section 9.3 - Landscaping. Section 9.3 of the Sublease is hereby deleted in its entirety and replaced with the following:

"9.3 Landscaping. Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair as determined by Sublandlord in its sole determination."

5. Amended Section 15.1. (d) - Bankruptcy. Section 15.1. (d) of the Sublease is hereby deleted in its entirety and replaced with the following:

"15.1. (d) Bankruptcy. The filing of a bankruptcy action or appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted; and"

6. Amended Section 17 - Insurance. Section 17 of the Sublease is hereby deleted in its entirety and replaced with the following:

"Section 17 – **INSURANCE**

17.1. Required Insurance Coverage. Subtenant, at its sole cost and expense, shall maintain, or cause to be maintained, through the Term of this Sublease, the following insurance:

(a) General Liability Insurance. Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars ($1,000,000), explosion, collapse and underground (XCU).

(b) Automobile Liability Insurance. Comprehensive or business automobile liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Subtenant's activity on the Premises or the Permitted Use.

(c) Worker's Compensation and Employer's Liability; Jones Act; U.S. Longshore and Harborworker's Act Insurance. Worker's Compensation Insurance, U.S. Longshore and Harborworker's Act Insurance and Jones Act Insurance with Employer's Liability limit not less than One Million Dollars ($1,000,000.00) for each accident, injury or illness, on employees eligible for each. In the event Subtenant is self-insured for the insurance required pursuant to this Section 17.1. (c), it shall furnish to Sublandlord a current Certificate of Permission to Self-Insure signed by the Department of Industrial Relations, Administration of Self-Insurance, Sacramento, California.

(d) **Personal Property Insurance**. Subtenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Subtenant for the replacement of Subtenant's personal property.

(e) **Watercraft Liability Insurance.** Sutenant, at its sole cost and expense, shall procure and maintain protection and indemnity insurance or other form of watercraft liability insurance acceptable to Sublandlord, with limits not less than Five Million Dollars ($5,000,000) per each occurrence, including coverages for owned and non-owned watercraft; but this insurance shall be required only if the Subtenant operates any watercraft under the provisions of this Sublease; provided, however, that, in the event Subtenant receives any goods from any watercraft, then Subtenant shall require that the operator of such watercraft maintain the insurance set forth in this Section 17.1. (e).

(f) **Contractor's Pollution Legal Liability Insurance.** Subtenant, at its sole cost and expense, shall procure and maintain Contractor's Pollution Legal Liability Insurance with combined single limit of Two Million Dollars ($2,000,000.00) each claim, Five Million Dollars ($5,000,000.00) aggregate, and with coverage to include legal liability arising from the sudden and accidental release of pollutants, and no less than a one-year extended reporting period.

(g) **Vessel Pollution Liability Insurance.** Subtenant, at its sole cost and expense, shall procure and maintain Vessel Pollution Liability Insurance with combined single limit of Two Million Dollars ($2,000,000.00) each claim, Five Million Dollars ($5,000,000.00) aggregate, and with coverage to include legal liability arising from the sudden and accidental release of pollutants, and no less than a one-year extended reporting period.

(h) **Hull and Machinery Protection and Indemnity Insurance.** Subtenant, at its sole cost and expense shall procure and maintain Hull and Machinery Protection and Indemnity Insurance in a form and with limited acceptable to the Authority.

(i) **Bumpershoot; Umbrella; Excess Insurance.** Subtenant, at its sole cost and expense, shall procure and maintain a bumpershoot, umbrella or excess insurance policy with policy limits of no less than Ten Million Dollars ($10,000,000).

(j) **Other Coverage**. Such other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

17.2. **Claims-Made Policies**. If any of the insurance required in Section 17.1 above is provided under a claims-made form of policy, Subtenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Sublease, to the effect that should occurrences during the

Term give rise to claims made after termination of this Sublease, such claims shall be covered by such claims-made policies.

17.3. Annual Aggregate Limits. If any of the insurance required in Section 17.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

17.4. Payment of Premiums. Subtenant shall pay the premiums for maintaining all required insurance.

17.5. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Sublandlord and Subtenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Sublease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

17.6. General Insurance Matters.

(a) All liability insurance policies required to be maintained by Subtenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF THE NAVY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Sublease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies required to be maintained by Subtenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Sublandlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Subtenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Subtenant and Sublandlord.

Such notice shall be given in accordance with the notice provisions of Section 21.1 below.

(d) Subtenant shall deliver to Sublandlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Sublandlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Subtenant shall, upon Sublandlord's request, promptly furnish Sublandlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Sublandlord may require Subtenant to increase the insurance limits set forth in Section 17.1 above if Sublandlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Subtenant with respect to risks comparable to those associated with the use of the Premises.

(f) Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

(g) Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant."

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Addendum to Sublease as of the day and year first above written.

SUBTENANT:

BAY SHIP AND YACHT CO.
a California corporation

By: _____
Its: _____

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

Draft Minutes of Special November Board Meeting
Treasure Island Development Authority
November 18, 2009

Pavilion by the Bay
291 Avenue of the Palms
Treasure Island

Gavin Newsom, Mayor

1. Call to Order 4:06 P.M.

Roll Call

Present at Roll Call
Owen Stephens, *President*
Jean-Paul Samaha
Helen Nigg, *Secretary*
Claudine Cheng

Arrived after Roll Call
John Elberling, *CFO*
John Rahaim

Excused
Douglas Shoemaker
Supervisor Chris Daly

Director Elberling arrives at 4:07 P.M.

2. Possible Closed Session
There was no public comment on either proposed Closed Session.
Director Stephens motioned to move to closed session.
The TIDA Board went into Closed Session at 4:08 PM.
Closed Session Attendees:
Jack Sylvan, Office of Economic & Workforce Development
Jon Yolles, Office of Economic & Workforce Development
Mirian Saez, Director of Island Operations
Peter Holm, TIDA Board Secretary
Eileen Malley, Office of the City Attorney

Director Stephens motioned not to disclose the Conference with Real Property Negotiators.
The Board unanimously voted not to disclose this Item.
Director Stephens then motioned to disclose the Conference with Legal Counsel Regarding Anticipated Litigation.
The Board voted unanimously to disclose this Item.
The TIDA Board returned to Open Session at 4:34 PM.
Director Stephens discussed a settlement with Parker Diving for $114,794.00.

3a. Director's Report

Director Saez reported that on Tuesday, October 27th, a span of the Bay Bridge collapsed, closing the Eastern Span. TIDA Staff implemented the procedures used in the Labor Day closure, coordinated with multiple agencies, and apprised residents and commercial tenants how to get on and off the Island. MUNI increased its bus service on the 108.

On Thursday, October 29th, there was an oil spill which released approximately 220 gallons of bunker fuel into the Bay. DEM took precautionary measures to protect the Island and boomed both the south side of Yerba Buena Island and the entrance to Clipper Cove. Residents, commercial tenants, the Yacht Club, the Sailing Center and the Marina were all informed; and signs were posted.

There were three robberies reported; two involved guns. A residential advisory notice was sent to everyone recommending caution in and around the former school grounds.

With Clipper Cove Legislation having passed the Board of Supervisors in August, TIDA Staff is now drafting the proposed regulations which will be presented at the December Board Meeting for approval. It is TIDA's intent to have them implemented by year's end – before January's inclement weather.

San Francisco State University, doing business as Head Start, were informed that they were unsuccessful in securing Federal Funds for the operation of our Child Care Center and would therefore terminate their operating agreement with TIDA on December 31, 2009. TIDA, TIHDI and The Department of Children, Youth and Families are looking for a new operator for the Child Care Center.

TIDA received 11 noise complaints following the Oracle event which it forwarded to the San Francisco Entertainment Commission. SFEC is responsible for issuing sound permits for musical events.

TIDA Staff is working with the San Francisco Public Library on a plan to utilize Bookmobiles – which will not be needed after next year in the City – as a means to expand service to Island residents. Currently, the Bookmobile stops on the Island on Thursdays.

MUNI will reroute the 108 from Avenue M to Avenue H to better serve residents. MUNI also announced that it would discontinue the Townsend/4th Street connection which residents use as a means of getting to Safeway.

The bus shelters are scheduled to be delivered the week of November 22nd.

There were three fun Island events this past month: the 3rd annual Treasure Island Music Festival sold out both days; the Safeway Foundation gala dinner and silent auction held this year in a tent on the Great Lawn; and the YMCA Halloween event.

Finally, the were two "Shout-Outs:" one to Community Housing Partnership (CHP) for sponsoring an eight-week recycling training class; and to Mark Connors who was responsible for getting Wi-Fi off the ground on the Island.

Director Rahaim arrived at 4:42 P.M.

There was no public comment.

3b. Report by Office of Economic & Workforce Development
Mr. Jack Sylvan reported on the five community meetings held in September. He said they were held over five days and had more than 100 people attend. The goal was to provide a timeframe and the process for the transition of housing from the existing units to new units. The next step is to conduct interviews with residents to collect demographic information. It is anticipated that the interview process will be completed by December 31, 2009. This will enable his office to start putting together some of the policy documents that address various issues such as timing, eligibility of benefits, etc.
Mr. Sylvan stated that he would use this information to make a presentation to the TIDA Board, as had been requested by both Director Elberling and Director Shoemaker at the October meeting.
Jon Yolles from the Office of Economic & Workforce Development was designated as the contact person for residents who had questions concerning any issue brought up at the five community meetings.
Mr. Sylvan stated that staff had made an initial presentation of the overall redevelopment project to the Bay Conservation & Development Commission (BCDC) Design Review Board. He felt the presentation was well received; BCDC is responsible for issuing significant permits. Staff will follow up with additional presentations to the DRB on specific project issues such as the Public Access plan, Shoreline Geotechnical Improvements and the Marina Project.
Mr. Sylvan further reported that progress was being made in the discussions with Caltrans about the ramps to the East Span in terms of a funding solution the marries Federal transportation dollars program with State bond money from 2006. In December or January, the Transportation Authority will release the draft environmental document for the ramps.
Conversations are taking place between Navy Staff in San Diego and the Secretary of the Navy with management at the Department of Defense about property transfer terms. The goal is to have the Navy reach a deal by the end of the 2009 calendar year, as originally promised to the Speaker of the House. Mr. Sylvan stated that the Federal legislation that passed earlier this year that enabled a profit participation mechanism as a way to compensate the Navy for the property.
There was no public comment.

3c. Report form the Treasure Island/Yerba Buena Island Citizen's Advisory Board
There was no report given.

4. Communications
Communication items include: John Stewart Co.'s September 2009 Percentage Rent Report, the November Island Newsletter, and media items concerning Treasure Island – highlighted by a front-page story in the *Lodi News Sentinel* on the Lodi Wine Festival in October.

5. Ongoing Business by Directors
There was no on-going business brought forward by the Directors.

6. General Public Comment
More than a dozen people spoke so the three-minute rule was enforced.

Mr. Philip Lee of Jade Studio Productions expressed thanks to both Director Saez and Rich Rovetti for their part in facilitating his TI Photo Studio opening. He presented a book to the Directors as a token of his thanks.
Ms. Vicky Lee, YMCA, expressed thanks to TIDA and all the partners in supporting the YMCA with its fitness program and its other activities – such as the Halloween party. Ms. Lee announced the upcoming "County Fair" for later that week, a 10-family holiday adoption program for TIHDI and Catholic Charities families by One Rincon Hill Association, and a toy drive for the holidays.
Lt. Tim Falvey, SFPD, reported that crime on the Island was down 20 percent during 2009. He expressed appreciation for community groups, especially Good Neighbors, for working in partnership with the SFPD; and he thanked Director Saez and the TIDA Staff for their efforts. Director Elberling asked if Captain McDonagh had been reassigned. Lt. Falvey responded that he was one of four who had not been reassigned.
Mr. Mark Connors, a TI resident, informed the Board that crime had decreased consistently over the past seven months and thanked the SFPD, the residents who come to Crime Watch meetings and CHP. He expressed concern that the security patrols were being lessened and said he hoped money would be found to continue them. He commented that he had attempted to be included in the interviews being conducted, but that the scheduled appointment had passed without his being interviewed. While he knew of others who had expressed similar experiences, he did not know if this was wide spread.
Director Elberling asked if residents did use the 108 Townsend stop frequently. Mr. Connors said he knew of some who did, but said MUNI analyzed that the extension was used primarily on the first and fifteenth of the month. Director Saez informed the Board that she had just received a petition from concerned residents asking that this portion of the route be continued and that the petition had been signed by more than 100 people.
Director Cheng asked Director Saez about the security patrol referenced by Mr. Connors. Ms. Saez said she was not sure what Mr. Connors was referencing specifically, but would speak with him at the close of the meeting.
Mr. Brett Vaughn, CHP, said that there were seven active lease violation cases. Three have been resolved amicably; one has moved out; and another three are moving their way through the court system. He also said that Cypress Security was hired to provide patrols due to the combined efforts of CHP, Catholic Charities, and Rubicon.
Mr. Mwapagla Mkonu, Boys & Girls Club, said that since he started in July the number of teens participating in programs has increased from five to more than 25. He stated that some of the programs offered were targeting middle school children to prepare them for high school, and that there were college-preparation classes for high school students. He said the teen center is open daily until 8:00 P.M., and he invited everyone down to tour the facility and to meet with the teens.
Mr. Caleb Savala, a TIDA Intern, teamed up with Golden Gate Disposal to conduct an Island audit of residents' trash and recycle bins. Bins that were not in compliance were tagged, and the compliance issues noted. Next year, compost services will be offered to Island residents.
Mr. William Smith, Treasure Island Distillery, expressed his appreciation for being among the creative persons on the Island and thanked Director Saez for her efforts in promoting his business. He said that the first 12 bottles of vodka produced would be shared with the Board at the reception after the meeting.

Mr. Timothy Childs, an Island tenant, expressed his appreciation at being part of a vibrant commercial community and thanked Ms. Saez, Mr. Rovetti and the TIDA Staff for making this an easy process. He also said that he had brought some chocolate, which compliment Mr. Smith's vodka, for the reception.
Mr. Patrick Bowen, Fat Grape Wines, acknowledged the help of Mr. Rovetti in securing a place in the Brig where he could affordably produce his wines. He stated that he would be providing a sample of these wines at the reception.
Mr. Snehal Patel, a YBI resident, stated that YBI rents have been increasing every year by a minimum of $60 while the quality of the units is not up to par. He said that 10 tenants have written letters asking for rent reductions only to get increases. He further stated that looking at federal guidelines he had determined rents should be in the $2,300 vicinity, but that they were closer to $3,000. He said some of the maintenance issues are carpets that have withstood water damage and not been replaced, exteriors that have not been painted in over 10 years, and cracks in the walls. He asked the Board for help in reducing the rents and addressing both the exterior painting and the interior problems.
Mr. Jim Mirkowski, TI Wines, said he had been a tenant for about two years and just wanted to reintroduce himself to the Board. He also said that he is working with the Job Corps to take his pressed grapes to compost for use in their gardens. He also brought wine for the reception and glasses for the Directors.
Ms. Wilhelmina Parker, TI Job Corps, acknowledged the YMCA for engaging with Job Corps students and connecting with them. She acknowledged Jack Nathanson of Wine Valley Catering for taking his time to speak with the culinary students about career opportunities. She acknowledged Marianne Thompson of TIDA for her help organizing a fundraiser to repair the slide at the playground. It raised $300. She also thanked Vicky Lee from YMCA for assistance in bagging cookies for the Job Corps cookie sale. Finally, she invited everyone to Community Relations Council Meeting on Thursday, November 19th.
Ms. Suzanne Kavert, TI Bar & Grill, expressed thanks for the support of the café over the last few months. She placed a full bar for the reception.
Mr. Desmond Crisis, TI Yacht Club, commented on the recent growth on the Island since the 10 years he has lived here. He is enthusiastic about being a resident. He also talked about the proposed Clipper Cover regulations. He said that he had seen people arrive with multiple vessels and just leave them there in the Cove and that he has seen people ferrying things around late at night. Ultimately he thought there is a need to regulate.
Mr. Lev Kilum, Lev's Kitchen, acknowledged the support he received from Rich Rovetti, Director Saez and the TIDA Staff in opening his tea brewing facility. He brought his tea for the reception.
Peter McCaffrey, Wine Valley Catering, thanked the TIDA Board, Director Saez and Rich Rovetti for making the Pavilion by the Bay a reality. He invited everyone to the reception afterward which WVC was hosting.
Mr. Jim Heldberg, Segway of San Francisco, rode to the microphone on one of his Segways. He said the company is giving tours on Treasure Island, and thanked TIDA for helping him get established on the Island. He announced that the SFPD had just agreed to use Segways at San Francisco Airport.
Director Elberling asked if they could be used for shopping, i.e., utilize a cart for groceries. The answer was yes. Director Elberling also asked if they could be used in the bike lane. Mr. Heldberg said they could.

7. Consent Agenda
There was no public comment on the Items.
Director Elberling motioned for approval.
The Consent Agenda Items passed unanimously.

8. Resolution Approving and Authorizing the Execution of a Sublease with Bay Ship and Yacht Co., a California corporation for Parcel A: approximately 1,890 linear feet of berthing space located at Pier One; and Parcel B: approximately 95,000 square feet of Pier space located at Pier One, Treasure Island.
Mr. Rich Rovetti, Treasure Island Development Authority, said that Bay Ship approached the Authority with a proposal to use Pier One for vessel storage in July 2009. In mid-August 2009, one of the two tugboats located on Pier One (the "Wenonah") sank and released fuel and oil into the Bay. Bay Ship approached the Authority with a revised proposal that included Bay Ship's acquisition of title of both tugboats, the Wenonah and the Nokomis, and removal of both tugboats from Pier One. The proposed Sublease is below the minimum rent established by the Minimum Rental Rate Schedule, but Bay Ship will repair and install fenders, floats and a gangway, as well as upgrade and maintain the fencing and lighting around the Pier One.
Director Cheng asked if there were job opportunities for Island residents. Mr. Rovetti said that this would primarily be a storage facility.
Director Elberling asked the terms of the Sublease. Mr. Rovetti said a month-to-month through November 30, 2010, with no credits for the removal of the two historic tugboats or improvements to the Pier.
There was no public comment.
Director Elberling motioned for approval.
The Item passed unanimously.

9. Discussion of Future Items by Directors
Director Elberling said that the Island needs a bus. He said that his company bought a bus, through extensive grants, to provide transportation for elders. He felt that the MUNI situation with regards to the Townsend Street/Safeway stop made this feasible. He asked that Director Saez, in tandem with TIHDI, look into the possibility.
Director Rahaim asked about bringing regulations concerning Clipper Cove before the Board. Director Saez said that the regulations will be brought before the Board at the December 2009 meeting for review and approval..

10. Adjourn
The meeting was adjourned at 5:49 P.M.

CITY & COUNTY OF SAN FRANCISCO

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SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

December 9, 2009 – 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

Gavin Newsom, Mayor

DIRECTORS

Owen Stephens, *President*
Claudine Cheng
Jean-Paul Samaha
Helen Nigg, *Secretary*
Supervisor Chris Daly *(Ex-Officio)*
John Elberling, *CFO*
John Rahaim
Douglas Shoemaker

Mirian Saez, Director of Island Operations
Peter Holm, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. Reports
   a. Report by Director of Island Operations (*Discussion Item*)
   Estimated Length of Item: 5 minutes

   b. Report by Office of Economic & Workforce Development (*Discussion Item*)
   Estimated Length of Item: 10 minutes

   c. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board *(Discussion Item)*
   Estimated Length of Item: 5 Minutes

3. Communications (*Discussion Item*)

Estimated Length of Item: 5 minutes

4. Ongoing Business by Directors

5. General Public Comment (*Discussion Item*) ******In addition to General Public Comment, Public Comment will be held during each item on the agenda.******
Estimated Length of Item: 10 minutes

6. **CONSENT AGENDA**
Estimated Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a. Approving the Minutes of the November 18, 2009 Meeting *(Action Item)*

7. Resolution Authorizing and Approving Clipper Cove Anchorage Permit Policies and Procedures and Rules and Regulations *(Action Item)*
Presented by Peter Summerville, Treasure Island Development Authority
Estimated Length of Item: 15 Minutes

8. POSSIBLE CLOSED SESSION
If approved by the TIDA Board, this Closed Session item will take place for approximately 30 minutes at the end of the meeting

a. Public Comment on all items relating to closed session

b. Vote on whether to hold closed session to confer with real property negotiators. *(Action item)*

c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Persons negotiating for the Authority: Jack Sylvan, Michael Tymoff, Jon Yolles
Persons negotiating with the Authority: United States Navy, Treasure Island Community Development LLC,
Property: Former Naval Station Treasure Island
Under Negotiation:
Price: _____ Terms of payment:_____ Both: X

d. Reconvene in open session *(Action item)*
i. Possible report on action taken in closed session under Agenda Item 8 (Government Code section 54957.1 (a) (1) and San Francisco Administrative Code Section 67.12)
ii. Vote to elect whether to disclose any or all discussions held in closed session *(San Francisco Administrative Code Section 67.12).*

9 Discussion of Future Items by Directors

10. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, 410 Ave. of Palms, San Francisco, CA 941130 during normal office hours.

Disability Access

The Treasure Island Development Authority holds its regular meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) **at least 72 hours** prior to the meeting to help ensure availability.

The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on 1 Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE
(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact:

Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, http://www.sfgov.org

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-4603

GAVIN NEWSOM
MAYOR

GEORGE GASCÓN
CHIEF OF POLICE

December 2, 2009

Ms. Mirian Saez
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics – November 2009

Dear Ms. Saez:

There were nineteen incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of November 2009. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Daniel.Mcdonagh@sfgov.org if you have any questions.

Sincerely,

Daniel McDonagh
Captain – Southern Station

By: Louis Glaser
Officer Louis Glaser
Southern Station
(415) 553-7959

ATTACHMENT A

OCC. DATE	REP. DATE	LOCATION	TYPE	COMMENTS	CASE NUMBER
11/4/09	11/4/09	1200 blk Mariner Dr	Burglary, Hot Prowl	Suspect Unknown	091139315
11/5/09	11/5/09	1300 Blk Gateview Av	Theft, Other property	Suspect Unknown	091143764
11/7/09	11/7/09	400 Blk 13th St.	Malicious Mischief/window smash	Suspect Unknown	091149739
11/11/09	11/11/09	1200 blk Mariner Dr	Trespassing	Suspect Unknown	091162598
11/9/09	11/9/09	1200 blk Bayside Dr.	Miscellaneouus Investigation	Suspect Known	091156488
11/9/09	11/9/09	600 blk Av H	Criminal Threats	Suspect Known	091156278
11/9/09	11/9/09	1200 blk Bayside Dr.	Suspicious Occurrence	Suspect Unknown	091156701
11/9/09	11/9/09	Av H @ 9th St.	False Personation/Probation viol.	1 Boooked	091155418
11/11/09	11/12/09	Address Withheld	Missing Juvenile		091165235
11/5/09	11/14/09	Address Withheld	Runaway Juvenile		091174446
11/16/09	11/16/09	600 blk Av H	Robbery, W/Force	2 booked	091181617
11/16/09	11/16/09	100 blk Reeves Ct.	Battrery	Suspect Known	091181219
11/16/09	11/17/09	Av of the Palms	Criminal Threats	Suspect Known	091183845
11/25/09	11/25/09	1200 blk Northpoint	Suspicious Occurrence		091211979
11/27/09	11/27/09	1400 blk Sturgeon St.	Recovered Vehicle		091217535
11/26-11/28	11/28/09	800 blk D St.	Theft, From locked Vehicle	Suspect Unknown	091220146
11/30/09	11/30/09	1200 blk Northpoint	Burglary, Residence, Att.	Suspect Unknown	091226815
11/19-11/30	11/30/09	800 blk Av D	Found Property		091228071
11/30/09	12/1/09	1100 blk Reeves Ct.	Theft, From Building	Suspect Unknown	091229847

Part 1 Crimes November, 2009

Assult 1	Robbery 1	Homicide	Arson	
Burglary 2	Sex Offenses	Vehicle Theft	Larceny 3	Total 7

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GAVIN NEWSOM, MAYOR
MIRIAN SAEZ
DIRECTOR OF THE ISLAND OPERATIONS

Treasure Island Development Authority
Policy for Distribution of Tickets and Passes
Standard Operating Procedure

Background

The Treasure Island Development Authority ("TIDA") through the Special Events Department periodically receives tickets and/or passes to various on-Island events and excursions at no cost that are subsequently distributed to City officials, staff and TIDA Board members for their use. Fair Political Practices Commission (FPPC) Regulation 18944.1, subdivision (c), instructs that the distribution of tickets and/or passes by a government agency to its officials may require local agencies to adopt a written policy regarding their distribution. The TIDA Board adopted Resolution #09-37-06/10 Policy for Distribution of Tickets and Passes on June 10, 2009. **(Policy for Distribution of Tickets and Passes and Resolution Exhibit A).**

The President and the Secretary of the Treasure Island Development Authority Board of Directors, as well as the Director of Island Operations, shall each have independent authority to determine whether a public purpose benefit exists by the distribution of the tickets and/or passes and to distribute the tickets and/or passes in accordance with this Policy. TIDA may not accept any tickets and/or passes that are earmarked for use by any particular City or TIDA official, employee or officer. The TIDA official distributing any tickets and/or passes in accordance with this Policy shall determine which City or TIDA official, employee or officer may use the tickets and/or passes. Under TIDA's Policy for Distribution of Tickets and Passes, a City or TIDA official, employee or officer who has received tickets and/or passes shall not transfer such tickets and/or passes to any other person, except to the official, employee or officer's spouse, domestic partner recognized by state law, or dependent children, solely for their personal use. Tickets and/or passes may also be distributed to persons who are not City officials, staff and TIDA Board Members if the President, Secretary of the Treasure Island Development Authority Board of Directors, or the Director of Island Operations, determine that a public purpose benefit exists.

Under the TIDA Policy for Distribution of Tickets and Passes, the distribution of any tickets and/or passes by TIDA to, or at the behest of, any TIDA official, employee or officer, including officials, employees and officers of the City who perform services for TIDA, shall accomplish one or more of the following public purposes.

- Promotion of economic development and employment in the City, including the City's mainland and the Base.

- Promotion of local businesses.

- Promotion of City tourism, including conferences, conventions, and special events on the City's mainland and on the Base.

- Promotion of public and private resources available to City residents, including charitable and nonprofit organization resources on the City's mainland and on the Base.

- Promotion of TIDA or City-run, sponsored or supported community programs.

- Promotion of community programs, including programs supported by charitable and nonprofit organizations on the City's mainland and on the Base.

- Promotion of public facilities available for City resident use, including facilities on the City's mainland and on the Base.

- Promotion of private facilities available for City resident use, including charitable and nonprofit organization facilities on the City's mainland and on the Base.

- Promotion of exchange programs with foreign officials and representatives.

- Increasing public exposure to, and awareness of, the recreational, cultural, and educational facilities available to the public within the City, including facilities on the City's mainland and on the Base.

- Promotion of the public trust for commerce, navigation and fisheries within the TIDA's jurisdiction as the Tidelands Trustee.

- Any purpose similar to the above identified in any City or TIDA contract.

Procedure for Acceptance and Distribution of Tickets and Passes

1. The Director of Island Operations receives the tickets and/or passes from the Event Producer.

2. The Director of Island Operations, the President or Secretary of the TIDA Board distribute the tickets and/or passes in a manner consistent with the Policy for Distribution of Tickets and Passes in consultation with the Project Administrator.

3. Questions regarding consistency with the TIDA Policy for Distribution of Tickets and Passes will be brought to the attention of the City Attorney's Office.

4. The Summary of the Policy for Distribution of Tickets and Passes is provided along with tickets and/or passes to recipients. **(Exhibit B)**

5. A list of names of all City or TIDA official, employee or officer who receive tickets and/or passes will be maintained by the Project Administrator for TIDA records.

6. A list of names of all persons who are not City officials, staff and TIDA Board members will also be maintained separately by the Project Administrator for TIDA records

7. The Project Administrator downloads Form 802 from the FPPC's website. http://www.fppc.ca.gov/forms/802(0209).pdf Sample Form **(Exhibit C).**

8. The Project Administrator prepares Form 802 and Donor Gift Form **(Exhibit D).**

9. City Attorney reviews completed Form 802 and Donor Gift Form.

10. The Director of Island Operations signs Form 802.

11. The Project Administrator provides the approved Form 802 to the Commission Secretary for posting on TIDA's website within 20 days after the date of the ticket/passes distribution.

12. The Project Administrator ensures both Forms 802 and Donor Gift Forms are posted on TIDA's website within 30 days after the ticket distribution.

13. Hard copies of the completed Form 802 and Donor Gift Form are maintained by the Project Administrator for TIDA records in the file Distribution of Tickets and Passes.

14. Forms 802 and Donor Gift Forms will remain on TIDA's website for a period of four (4) years after the distribution date.

Treasure Island Development Authority
Policy for Distribution of Tickets and Passes SOP
Exhibits

Exhibit A: Policy for Distribution of Tickets and Passes and Resolution

Exhibit B: TIDA Policy for Distribution of Tickets and Passes Summary of Rules and Regulations

Exhibit C:FPPC Form 802

Exhibit D:Donor Gift Form

Treasure Island Development Authority

Policy for Distribution of Tickets and Passes

June 10, 2009

Fair Political Practices Commission Regulation 18944.1, subdivision (c), instructs that the distribution of tickets or passes by a government agency to its officials may require local agencies to adopt a written policy regarding their distribution.

Such policy shall (1) require that the distribution of tickets or passes by the agency to an official accomplish a public purpose of the agency, (2) set forth the public purposes of the agency to be accomplished by the distribution of tickets or passes, and (3) prohibit the transfer of any ticket or pass from an official to any other person, except to members of the public official's immediate family solely for their personal use.

1. Public Purposes of Distribution of Tickets or Passes

The distribution of any ticket or pass by the Authority to, or at the behest of, any Authority official, employee or officer, including officials, employees and officers of the City who perform services for the Authority, shall accomplish one or more of the following public purposes:

- Promotion of economic development and employment in the City, including the City's mainland and the Base.
- Promotion of local businesses.
- Promotion of City tourism, including conferences, conventions, and special events on the City's mainland and on the Base.
- Promotion of public and private resources available to City residents, including charitable and nonprofit organization resources on the City's mainland and on the Base.
- Promotion of Authority or City-run, sponsored or supported community programs.
- Promotion of community programs, including programs supported by charitable and nonprofit organizations on the City's mainland and on the Base.

- Promotion of public facilities available for City resident use, including facilities on the City's mainland and on the Base.
- Promotion of private facilities available for City resident use, including charitable and nonprofit organization facilities on the City's mainland and on the Base.
- Promotion of exchange programs with foreign officials and representatives.
- Increasing public exposure to, and awareness of, the recreational, cultural, and educational facilities available to the public within the City, including facilities on the City's mainland and on the Base.
- Promotion of the public trust for commerce, navigation and fisheries within the Authority's jurisdiction as the Tidelands Trustee.
- Any purpose similar to the above identified in any City or Authority contract.

The President and the Secretary of the Treasure Island Development Authority Board of Directors, as well as the Director of Island Operations, shall each have independent authority to determine whether a public purpose exists and to distribute tickets and/or passes in accordance with this policy. The Authority may not accept any tickets or passes that are earmarked for use by any particular City or Authority official, employee or officer. The Authority official distributing any tickets or passes in accordance with this policy shall determine which City or Authority officials, employees or officers may use the tickets or passes.

2. Prohibition on Transfer

A City or Authority official, employee or officer who has received a ticket or pass distributed under this policy shall not transfer such ticket or pass to any other person, except to the official, employee or officer's spouse, domestic partner recognized by state law, or dependent children, solely for their personal use.

3. Disclosure

The Authority shall report the distribution of any tickets or passes under this policy by posting on its website in a prominent fashion within 30 days after the ticket distribution all information required by State law. The Authority may comply with this requirement by posting FPPC Form 802, as amended from time to time by the FPPC.

[Ticket distribution policy.]

Resolution approving and adopting a policy for the distribution of tickets and passes received by the Treasure Island Development Authority from third parties.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

*

WHEREAS, Article V, Section 2(k) of the Authority's Bylaws authorizes the Authority to contract with governmental agencies, including without limitation, any department, commission or agency of the City, for the performance of services in furtherance of and related to the purposes of the Authority; and,

WHEREAS, The Authority has entered into various agreements and work orders with the City to provide staffing and other services in furtherance of and related to the purposes of the Authority; and,

WHEREAS, The Authority periodically receives tickets and passes from third parties to events; and,

WHEREAS, The Authority may provide tickets and passes from third parties to its officials, employees and officers, and to officials, employees and officers of the City who perform services for the Authority; and,

WHEREAS, The distribution of tickets and passes to the Authority's officials, employees and officers, including officials, employees and officers of the City who perform services for the Authority, may fulfill legitimate governmental and public purposes; and,

WHEREAS, The California Fair Political Practices Commission ("FPPC") has adopted regulations permitting local agencies to distribute tickets and passes to their officials under limited circumstances; and,

WHEREAS, The FPPC has revised Regulation 18944.1, a copy of which is attached to this resolution as Exhibit A and hereby declared to be a part of this resolution as if set forth fully herein, which may require the distribution of tickets and passes received by the Authority to take place in accordance with a written policy; and,

WHEREAS, Tickets and passes distributed pursuant to FPPC Regulation 18944.1 do not constitute gifts to the officials using such tickets and passes; now, therefore, be it

*

RESOLVED, That the Authority hereby adopts the Policy Regarding Distribution of Tickets and Passes in the form attached hereto as Exhibit B.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 10, 2009.

_____

John Elberling, Secretary

*

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
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GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF THE ISLAND OPERATIONS

FOR YOUR INFORMATION

TIDA Policy for Distribution of Tickets and Passes Summary of Rules and Regulations

"Under state law, the Treasure Island Development Authority (TIDA) must publicly disclose your acceptance and use of the enclosed tickets on its website. TIDA will disclose the number of tickets distributed to you, the face value of the tickets, a description and the date of the event, and the public purpose served by your use of the tickets. This information will be posted on TIDA's website for four years. As a result of TIDA's disclosure, you would not be required to report these tickets as gifts on your Statement of Economic Interests (Form 700).

In general, only you, your spouse, your registered domestic partner, or your dependent children may use these tickets. If you wish to give away these tickets to another person or organization and that distribution carries out a public purpose, you should first contact Frishtah Afifi at TIDA at (415) 274-0688 so that the department can ensure that this distribution complies with the department's ticket distribution policies and necessary reporting requirements. If you give away, sell or use any of these tickets without fulfilling a public purpose, then the tickets may be gifts to you and be subject to gift limits and Form 700 reporting requirements, or may be considered income to you. If you have any questions about these rules, please contact Frishtah Afifi. If you do not wish to use or accept these tickets, please return them to Frishtah Afifi within 30 days of receiving them or prior to the event, whichever occurs first.

Your acceptance or use of the enclosed tickets also may have income tax implications; you should contact a tax professional for further assistance on those matters."

Enjoy the event!

Mirian Saez, Director of Island Operations
Treasure Island Development Authority

Tickets Provided by Agency Report

A Public Document

TICKETS PROVIDED BY AGENCY REPORT

1. Agency Name

Division, Department, or Region *(if applicable)*

Street Address

Area Code/Phone Number | E-mail

Agency Contact *(name and title)*

Date Stamp

California Form **802**

For Official Use Only

☐ **Amendment** *(Must explain in Part 5.)*

Date of Original Filing: _____ *(month, day, year)*

2. Event For Which Tickets Were Distributed

Date(s) of Event: ____/____/____ Description of Event: _____

____/____/____ Face Value of Ticket: $ _____

Agency Event ☐ Yes ☐ No (Identify source of tickets below.)

Name of Outside Source of Ticket(s) Provided to Agency: _____

Number of Tickets Received: _____ Ticket(s) Provided to Agency: ☐ Gratuitously ☐ Pursuant to Contract

3. Agency Official(s) Receiving Ticket(s) (use a continuation sheet for additional names)

Name of Official (Last, First)	Number of Tickets	State Whether the Distribution is Income to the Official or Describe the Public Purpose for the Distribution

4. Individual or Organization Receiving Ticket(s) (Provided at the behest of an agency official.)

Name of Behesting Agency Official: _____

Name of Individual or Organization: _____ Number of Tickets: _____

Description of Organization: _____

Address of Organization: _____
Number and Street City State Zip Code

Purpose for Distribution: (Describe the public purpose for the distribution to the organization.)

_____

5. Verification

I have determined that the distribution of tickets set forth above is in accordance with the provisions of FPPC Regulation 18944.1.

Signature of Agency Head or Designee | Print Name | Title | *(month, day, year)*

Comment: *(Use this space or an attachment for any additional information including amendment explanation.)*

_____

DONOR DISCLOSURE/GIFT ACKNOWLEDGEMENT FORM

Thank you for your generous contribution to Treasure Island Development Authority
In order to help the Treasure Island Development Authority comply with San Francisco's Sunshine Ordinance,* we ask that you please complete this form and return it as soon as possible to: One Avenue of the Palms, Building One, Second Floor San Francisco, CA 94130 Attention: Donor Disclosure.

Thank you again for contributing to Treasure Island Development Authority

Donor: _____ Date: _____

Gift: _____ Estimated Value: _____

(For gifts other than cash gifts)

Contact Information:

Name: _____ Address: _____ Telephone: _____
Street Apt #

_____
City, State ZIP code

The above information is:
_____ Business _____ Residence

Financial Interest: The Sunshine Ordinance requires that a department that receives a gift of money, goods or services worth $100 or more report any financial interest that the donor has involving the San Francisco City government. Please check the appropriate box or boxes below that describe your financial interest(s) in the City.

- ☐ Contract with City (Please Describe):
- ☐ Grant from the City (Please Describe):
- ☐ Lease of Space to or from the Treasure Island Development Authority City License, Permit or Entitlement for Use (Please Describe):
- ☐ Pending request for a City Contract, Grant, Lease, License, Permit or Other Entitlement for Use (Please Describe):
- ☐ Other Financial Interest (Please Describe):
- ☐ No Financial Interest (Please Describe):

*The San Francisco Sunshine Ordinance (San Francisco Administrative Code Chapter 67), as approved by the San Francisco voters in 1999, provides that:

SEC. 67.29-6. Sources of Outside Funding
No Official or employee or agent of the city shall accept, allow to be collected, or direct or influence the spending of, any money, or any goods or services worth more than one hundred dollars in aggregate, for the purpose of carrying out or assisting any City function unless the amount and source of all such funds is disclosed as a public record and made available on the website for the department to which the funds are directed. When such funds are provided or managed by an entity, and not an individual, that entity must agree in writing to abide by this ordinance. The disclosure shall include the names of all individuals or organizations contributing such money and a statement as to any financial interest the contributor has involving the City.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: Treasure Island Development Authority Board of Directors

From: Mirian Saez, Director of Island Operations

Date: December 4, 2009

Re: Department of Building Inspection Plan Review and Inspection Services on Treasure Island

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On August 12, 2009 a Memorandum of Understanding was executed between the Authority and the San Francisco Department of Building Inspection for Plan Review and Field Inspection Services for Former Naval Station Treasure Island. The MOU calls for DBI to perform Plan Review and Site Inspection Services for all repair and modifications proposed for buildings on Treasure and Yerba Buena Island in order to assure that work is performed in accordance with the San Francisco Building Code. This MOU will also cover Plan Review and Inspection of certain temporary structures erected for short-term Special Events held on-Island.

Attached to this memo is a Standard Operating Procedure capturing the process for DBI's review and inspection of such work proposed for on-Island facilities.

Department of Building Inspection
Treasure Island Standard Operating Procedure

All work, repairs or modifications performed on Treasure and Yerba Buena Island properties shall follow the requirements of the San Francisco Building Code (SFBC).

Applicants wishing to make repairs and/or modifications to on-Island facilities are required to satisfy the Department of Building Inspection ("DBI") Plan Review Service process prior to commencement of the proposed work. DBI inspectors shall advise and make recommendations to the Authority and Applicant, providing building, mechanical, electrical and plumbing inspection services.

Plan Review:

1. To initiate the process, Applicant shall submit a **DBI Project Control Application**, (available from DBI), two (2) sets of stamped construction drawings, and a letter from the Authority requesting DBI undertake a Plan Review of the project. This packet of information shall be submitted to:

   Department of Building Inspection
   Office of the Director of Permits
   Attn: Laurence Kornfield
   1660 Mission Street
   San Francisco, CA 94103
   (415) 558- 6244

2. Fees imposed by DBI associated with Plan Review Services shall be identified by DBI at the time of submittal. The Applicant is responsible for all DBI-imposed fees and shall pay all identified fees directly to DBI upon filing of the Application.

3. DBI Director of Permits shall review the plans submitted and identify to the Applicant any issues or necessary corrections. Upon satisfactory Plan Review, DBI shall issue a **Compliance Letter** to the Authority approving the scope of work contained in the Application.

4. Upon approval, DBI shall stamp as approved both sets of submitted plans and return to the Authority with the Compliance Letter. The Authority shall retain one (1) set of the DBI-stamped plans for the Applicants file at the Authority, and one (1) set of plans shall be returned to the Applicant by the Authority. DBI shall retain a copy of the plans for its internal record-keeping and reference purposes.

5. The Authority shall issue a **Letter to Proceed** to the Applicant authorizing the proposed scope of work. Copies of both the DBI Compliance Letter and the Authority Letter to Proceed shall be placed in the Applicants sublease file.

Inspection Services:

1. During the course of construction, repair or modification, Department of Building Inspection (DBI) staff shall perform site Inspection Services to verify project compliance with the San Francisco Building Code.

2. All required fees identified by DBI associated with Inspection Services shall be the responsibility of the Applicant, and shall be paid directly to DBI.

3. Applicant shall notify DBI not less than three (3) days in advance of a required inspection.

4. Upon completion of the construction, DBI shall issue a **Project Completion Compliance Letter** stating that the project, as constructed, complies with all applicable requirements of the San Francisco Building Code. The Authority shall place this Project Completion Compliance Letter in the Applicants file.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: Mirian Saez, Director of Island Operations

From: Marianne Mazzucco Thompson, Public Information Officer

Date: November 30, 2009

Re: Mandatory Recycling and Composting Ordinance

In June 2009, Mayor Gavin Newsom signed mandatory recycling legislation requiring residential and commercial building owners to sign up for recycling and composting services. A comprehensive study conducted by the Department of Environment found that 36 percent of what San Francisco sends to landfills is compostable - primarily food scraps - and that 31 percent is recyclable - mostly paper. The Mayor's main goal is to institute recycling and composting in buildings where it is not currently provided.

Treasure Island currently does not provide Green Bins for its residents nor does it provide access to composting. Prior to the Mayor's June legislation, Green Bins were primarily used for residents with yard waste. Because Treasure Island residents are provided landscape services, Green Bins have not been a consideration.

In September 2009, Project Staff worked with two San Francisco State University Interns to create an outreach and education program for the residents of the Island with the intent of improving the recycling and diversionary rate to achieve the City's mandated diversion goal of 75 percent by 2010. Currently the Island's diversion rate is at 41 percent. In the course of the Interns' work and outreach, it was determined that Island residents could benefit from the Green Bins.

In order for the Island to participate in the Green Bin Program, TIDA must amend its contract with Golden Gate Disposal to account for the increase in the cost of the additional service. The amended contract will also expand services to the Island.

Island residents will be provided Bulky Item Collection (BIC) services. BIC allows tenants and property managers to contact Golden Gate for collection and disposal of large and unwanted items. The inclusion of BIC will further help with the diversion rate. We are hopful that it will also reduce illegal dumping on the Islands. Currently, residents abandon large bulky items throughout the residential areas. Abandoned items then become the responsibility of the

property managers or TIDA for appropriate disposal. As a result of the illegal dumping, the property managers and TIDA incur the cost of disposing of the items.

Project Staff will seek Authority Board approval of the rate increase for Golden Gate's Residential Refuse Collection and Disposal Services Agreement and Contract on Treasure Island in January. Upon Authority Board approval, Island residents will receive green bins and Golden Gate will begin collection of compostables. Further, residents and property managers will be able to utilize the Bulky Item Collection service, consistent with the City's practice. In anticipation of the amendment, Treasure Island Homeless Development Initiative (TIHDI) member organization Community Housing Partnership has begun training and educating THIDI residents, as has the John Stewart Company.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: Mirian Saez, Director of Island Operations

From: Marianne Mazzucco Thompson, Public Information Officer

Date: October 1, 2009

Re: Traffic Monitoring Cameras

Project Staff has initiated the installation of traffic monitoring cameras at the Main Gate to Treasure Island located at the juncture of the Treasure Island Causeway and Avenue of the Palms. This location is a public area and the cameras have been installed in an open and obvious manner. The camera installation is for the purpose of monitoring vehicular and pedestrian traffic in and around a public street, sidewalk, common areas and the pedestrian cross walk.

Project Staff identified this area due to its high volume of vehicular traffic, both personal and large industrial vehicles, as well as its high volume of pedestrian traffic. Further, the San Francisco Police Department has expressed concern regarding the speed at which vehicles enter the main gate and concern for pedestrian safety.

The cameras will be used to monitor and identify traffic patterns on the Causeway and Avenue of the Palms. Similar to the cameras on the Bay Bridge, this tool will enable us to identify unsafe habits or patterns, as well as to make traffic and safety adjustments to the area as needed. This area has become a significant concern due to increased commercial leasing on the Island and the high volume of commercial vehicles utilizing the corridor for the Caltrans Bay Bridge Construction and Retrofit project, Navy Remediation and Soil Removal trucks, as well as large special event vehicles.

The cameras will also be used to monitor and identify pedestrian traffic patterns in and around the bus stops, tourist viewing area and walkways between the streets, convenience store and the TI Marina. This tool will enable us to identify unsafe pedestrian habits and patterns. A significant traffic concern is tourist busses and tourist limousines.

A secondary benefit of the cameras is that they may act as a deterrent to unsafe and unlawful behavior in the general area.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: Treasure Island Development Authority Board of Directors

From: Mirian Saez, Director of Island Operations

Date: December 4, 2009

Re: Pan American Airways China Clipper 75th Anniversary Commemorations

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2010 is the 75th anniversary of the flight of Pan American Airway's "China Clipper" flying boat on the world's first regularly scheduled and sustained transoceanic commercial air service. As the home to Pan Am's Pacific operations from 1939 to 1944, Treasure Island played a pivitol role in the early pioneering days of transoceanic commercial air service to the Pacific.

In celebration of this 75th anniversary, a China Clipper Reunion is being planned for November of 2010 in San Francisco by a national Pan Am alumni organization. As a part of the weeklong program, the San Francisco Airport Museums and the San Francisco Aeronautical Society are exploring partnership opportunities for support of various parts of the weeklong programming associated with the reunion.

On November 24th, the Director of Island Operations and Project Office staff met with representatives from the San Francisco Airport Museums, the San Francisco Aeronautical Society and the Pan Am alumni organization to discuss the week's activities and to identify possible areas of partnership between the event and Treasure Island. Initial discussion centered around use of specific Island venues for the week's closing gala event and use of the Island for interpretive programs focusing on the aviation history of the Island. Attached is further information from SFO Museums regarding the commemoration and reunion.

Attachment

The 75th Anniversary of the flight of the China Clipper

November 22, 2010 marks the 75th anniversary of the most significant milestone in the history of commercial aviation. On that day in 1935, with San Francisco Bay setting the stage, the Pan American Airways four-engine flying boat *China Clipper* rose from the water on its maiden voyage to Asia inaugurating the world's first regularly scheduled and sustained transoceanic air service.

The achievement of building an airline across the Pacific in 1935, just thirty-two years after the Wright brothers first flew at Kitty Hawk and even before there were bridges across San Francisco Bay, was made all the more profound by the fact that—in one of history's great paradoxes—the far less challenging trans-Atlantic service would not begin for another four years.

The foremost challenge of the Pacific route was the Hawaii Sector, the 2,400 miles between San Francisco and the island chain that many thought would never be flown. Once conquered by the giant flying boat with its innovative radio navigation technology and highly skilled flight crews, the remaining shorter segments of Hawaii, Midway, Wake, Guam, Manila, and eventually Hong Kong were well within reach. Indeed, overcoming the Hawaii Sector was the key to a global air network, as it was the widest water gap along the trade routes of the world.

The *China Clipper* became an overnight sensation and Pan Am grew into an aviation legend. Its Pacific triumph lifted the spirits of a nation struggling against the Great Depression while inspiring a world now made less remote. Just five-days travel time between the East and the West had been unthinkable when it took weeks by ocean liner. A letter delivered from New York to Hong Kong in barely six days was a hallmark of modernity. And with San Francisco as the terminus for such a great leap forward, it extended its gateway role into the air age while ushering in a new era of Pacific trade and cultural exchange.

* * *

This anniversary presents a unique opportunity for joining a commemoration of the past with a recognition of the vitality of ongoing trade and exchange throughout the Pacific region and beyond with San Francisco's many partners in government, commerce, and cultural affairs. As the San Francisco Airport Museums' affiliate support organization, the San Francisco Aeronautical Society is seeking ways to explore a team-building approach to conduct a fitting and appropriate event on or around November 19, 2010 that would envision these themes. Possible venues would include SFO or Treasure Island, as the latter was the base of Pan Am's Pacific operations from 1939 to 1944. Notable is an existing relationship between the Museum, the Society, and the Pan Am Historical Foundation. Other Pan Am affiliate groups would also provide partnership opportunities. Additionally, a national organizing committee of Pan Am retirees has begun formulating a China Clipper Reunion in San Francisco during the week of November 15th with a minimal anticipation of 500* attendees. There is also considerable local interest among the Bay Area aviation community alone. Airport Museums has scheduled several related exhibitions to be on view at SFO during this period.

*Revised to possibly exceed 1,000

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: Treasure Island Development Authority Board of Directors

From: Mirian Saez, Director of Island Operations

Date: December 4, 2009

Re: Use Permit and Film Permit Waivers and Reductions

The following waivers and reductions were granted for short-term Use Permits and Film Permits between November 14, 2009 and December 4, 2009

Waivers:

- Federal Emergency Management Adminstration K-9 Search and Rescue Training Program – Building 260, Building 1 basement – November 14, 2009
- Open4Business Productions – Various exterior locations – November 16, 2009
- State of California, Office of the Governor – Great Lawn – December 2, 2009

Reductions:

None

Event Date	Event #	Venue(s)	Event Name
December 1 - 20, 2009	E-043	Nimitz House	Monica Hobbs Catering
Wednesday, December 02, 2009		Great Lawn	Office of the Governor Press Conference

	December	TYPE	LOCATION	EVENT	START	END	GUESTS	
Fri	04 Dec 09	Holiday Party	Casa de la Vista	Team Commercial Construction	1PM	2AM	150	Steve
Sat	05 Dec 09	Wedding	Casa de la Vista	Katie Barr/ Pat Corrigan	5PM	2AM	200	Steve
Wed	09 Dec 09	Meeting	Pavilion by the Bay	TIDA Board Meeting	4pm	8pm	25	
Sat	12 Dec 09	Wedding	Casa de la Vista	Robert Fount Events	8AM	1AM	200	Steve
Sat	12 Dec 09	Wedding	Building 1	Robert Fount Events	8AM	1AM	200	Steve
Sat	12 Dec 09	Wedding	Chapel	Robert Fount Events	8AM	1AM	200	Steve
Sat	12 Dec 09	Wedding	Pavilion	Robert Fount Events	8AM	1AM	200	Steve
Sat	12 Dec 09	Wedding	Library	Robert Fount Events	8:00 AM	1AM	200	Steve
Sat	19 Dec 09							
Sat	26 Dec 09							
Thur	31 Dec 09	Wedding	Pavilion by the Bay	Always RSVP	5pm	2am	300	Steve

Navy Meetings
TIDA Bookings
Tentative
11-Sep-09

Treasure Island Development Authority
Subleases and Permits Executed
Pursuant To Leasing Policy
As of December 9, 2009

Location / Facility	Agreement Number	Leasehold Status (new / expired)	Company Name / Prospective Subtenant	Commencement Date	Leasehold Type	Sq. Ft.	Monthly Rent	Comments
YBI Quarters 1	204	New	Monica Hobbs Catering	12/1/09 – 11/30/10	Special Events	5,886	$1,500	executed
Building 670	202	New	Lev Probiotics	11/1/09	Tea production	PA 3,500 PB 2,700	$2,250.00	executed
Pier One	201	New	Bay Ship and Yacht	11/1/09	Vessel Storage	95,000	$2,500.00	executed
Avenue of Palms	P-206	New	WATV	11/22/09	Film Production Permit	N/A	$1,500 – Permit Fee	Executed
Various exterior Island locations	P-205	New	Open4Business Productions	11/16/09	Film Production Permit	N/A	Permit Fee Waived	Executed

Expenses	TIDA Approved 09-10	FY 09-10 Actuals	FY 09-10 Balance
12/09/09- DRAFT TIDA OPERATIONS EXPENSES			
ADMINISTRATION			
MISC-REGULAR (Salaries)	Under GSA's Budget		
RETIRE CITY MISC FRINGE BENEFITS	Under GSA's Budget		
TIDA INTERNSHIP PROGRAM	$15,000	$11,218	$3,782
TRAVEL COSTS	$5,000	$0	$5,000
TRAINING COSTS	$10,000	$884	$9,116
LOCAL FIELD EXP	$750	$682	$68
MEMBERSHIP FEES	$4,000	$0	$4,000
PROMOTIONAL AND MARKETING EXPENSE	$20,000	$2,296	$17,704
DELIVERY & POSTAGE	$15,000	$5,115	$9,885
OFFICE RENTALS & LEASED EQUIPMENT	$13,000	$1,602	$11,398
OFFICE MATERIALS & SUPPLIES	$16,000	$3,443	$12,557
OTHER CURRENT ADMINISTRATIVE EXPENSES	$33,000	$791	$32,209
TOTAL ADMINISTRATION	**$131,750**	**$26,031**	**$105,719**
PROFESSIONAL & SPECIALIZED SERVICES			
TREASURE ISLAND BOYS & GIRLS CLUB HOUSE	$140,000	$22,570	$117,430
KIDANGO	$50,000	$44,213	$5,787
TIHDI-OPERATING CONTRACT	$175,000	$43,391	$131,609
TIHDI-CHILDCARE FACILITY OPERATIONS	$0	$17,200	$37,196
TI GYM OPERATIONS YMCA	$150,000	$0	$150,000
MARINE SALVAGE	$20,000	$125,611	-$105,611
GGEA -PUBLIC ART HISTORICAL PRESERVATION	$40,000	$23,982	$16,018
SCAVENGER SERVICES (GOLDEN GATE DISPOSAL)	$25,000	$5,221	$19,779
JANITORIAL SERVICES (Toolworks)	$108,000	$36,000	$72,000
GROUNDS MAINTENANCE RUBICON	$675,000	$234,243	$440,757
TIDA DIRECTOR'S LIABILITY INSURANCE	$45,000	$0	$45,000
OTHER PROFESSIONAL SERVICES	$40,000	$28,069	$11,931
TOTAL PROFFESSIONAL & SPECIALIZED SERVICES	**$1,468,000**	**$580,501**	**$941,895**
CITY DEPARTMENT WORK-ORDERS		**FY 09-10 Encumbered Amounts**	
DEPARTMENT OF PARKING AND TRAFFIC	$15,000	$20,000	$0
CONTROLLER'S OFFFICE	$25,000	$25,000	$0
DTIS SERVICES (AAO)	$38,000	$40,223	$0
DEPARTMENT OF BUILDING INSPECTION	$10,000	$10,000	$0
RISK MANAGEMENT INSURANCE CONSULTING	$8,000	$8,000	$0
GENERAL SERVICES AGENCY	$1,202,592	$1,068,130	$0
GF-CITY ATTORNEY-LEGAL SERVICES (AAO)	$200,000	$200,000	$0
GF-HR-MGMT TRAINING (AAO)	$3,000	$3,000	$0
IS-PURCH-CENTRAL SHOPS-AUTO MAINT (AAO)	$13,000	$13,000	$0
IS-PURCH-CENTRAL SHOPS-FUEL STOCK (AAO)	$3,500	$3,500	$0
IS-PURCH-REPRODUCTION (AAO)	$20,000	$20,000	$0
GF-PUC-HETCH HETCHY (AAO) ($650,000 Utility Bills, 135,000 Generators, $200,000 MOU)	$985,000	$985,000	$0
SR-DPW-BUILDING REPAIR (AAO)	$1,187,608	$475,159	$0
FACILITIES MANGEMENT SERVICES	$0	$794,037	$0
SR-DPW-SPECIAL SERVICES ENGINEERING	$0	$29,056	$0
SR-DPW-BUREAU OF STREET ENVIRONMENTAL SERVICES	$48,470	$48,470	$0
SR-DPW-BUREAU OF STREETS AND SEWER REPAIR SERVICES	$80,263	$80,263	$0
SR-DPW-BUREAU OF URBAN FORESTRY SERVICES	$175,000	$175,000	$0
SR-DPW-BUREAU OF OPERATIONS	$109,824	Classified under BBR	$0
SPECIAL CAPITAL IMPROVEMENT PROJECTS	$425,710	$245,646	$180,064
TOTAL CITY DEPARTMENT WORK-ORDERS	**$4,549,967**	**$4,243,484**	**$180,064**
SUBTOTAL OPERATIONS EXPENDITURES			
SURPLUS AVAILABLE FOR DISTRIBUTION TO GENERAL FUND			
PROTECTIVE SERVICES SFFD & SFPD	**$4,014,548**	**$4,140,253**	**0**
TOTAL OPERATIONS EXPENDITURES	**$10,164,265**	**$8,990,268**	**$1,227,678**

TIDA 2009-10 REVENUE SOURCES 12/9/09	FY 09-10 TIDA Board Approved Budget	FY 09-10 TIDA Deposits as of 12/9/09	Percentage
Joint Venture Special Events	$457,355.00	$165,069.83	36.09%
TIDA Special Events Revenues	$194,000.00	$72,972.40	37.61%
TI Commercial Revenues	$1,654,800.00	$593,865.18	35.89%
Film Revenues	$20,000.00	$9,000.00	45.00%
YBI Filming/Cellsites/ Banner Revenues	$328,940.00	$153,758.31	46.74%
Maritime Revenues	$102,730.00	$49,957.50	48.63%
John Stewart Company Housing Revenues	$5,702,840.00	$2,441,331.53	42.81%
John Stewart Company Housing CAM Revenues	$339,600.00	$199,319.10	58.69%
SFFD Training Academy	$814,000.00	$800,000.00	98.28%
Carryforwards	$550,000.00	$550,000.00	100.00%
Grand Totals	**$10,164,265.00**	**$5,035,273.85**	**50%**

Last Dep#359

CITY & COUNTY OF SAN FRANCISCO

RE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

NOTICE OF MEETING CANCELLATION

Please note that the December 1st, meeting of the Treasure Island/ Yerba Buena Island Citizens Advisory Board (CAB) has been cancelled.

The next meeting is scheduled for January 5th, 2010, at 6:00 at San Francisco City Hall, room 305. 1 Dr. Carlton B. Goodlett Pl, San Francisco, Ca, 94102

Please contact Andrea Bruss at (415)554-6661 with any questions.

MEETING AGENDAS AVAILABLE ON E-MAIL

If you would like to receive TICAB meeting agendas by e-mail, please send your name and e-mail address to TICAB@sfgov.org.

Disability Access

The Treasure/Yerba Buena Island Citizen Advisory Board meets on Treasure Island in Building 442, City Hall, 1 Dr. Carlton Goodlett Place or at the San Francisco Redevelopment Agency. All buildings are accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 or 274-0660 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.

THE JOHN STEWART COMPANY

MEMORANDUM

To: Mirian Saez, Director of Operations, Treasure Island Development Authority

cc: Marc McDonald, TIDA
John Stewart, JSCo
Paula Schlunegger, JSCo
Suzanne Wood, Edison Capital
Loren Sanborn, JSCo
Lynny Lee, JSCo
Ned York, JSCo
Connie Le, JSCo
Jack Gardner, JSCo

From: Michael Smith-Heimer

Date: November 20, 2009

Subject: **Percentage Rent for Treasure Island Housing Project Sublease for October 2009**

Enclosed is our payment of Percentage Rent in the amount of $429,608.22 for the October period, calculated per the sublease agreement. This figure is based on the accompanying attachments. You should note that these expenses include funding reserves as outlined in the sublease requirements including accrued funds to pay Possessory Interest charges of the property.

Calculation of Funds Available for Distribution

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted in the period that the reserve draw is approved.

For the month of October 2009, Actual Total Revenues were above Budgeted Total Revenues by about 2% while Actual Total Operating Expenses were above Budgeted Total Operating Expenses by about 4.7% (due to significantly higher replacements). The result was that Funds Available for Distribution were about 1.5% below budget.

Calculation of Percentage Rent

Based on operations, a total of 453,254 in adjusted Gross Revenues after costs of operations are available for distribution for the October period. These revenues are distributed as follows:

October 2009 Distributions	Actual	Budgeted
Available for Distribution	$453,255.00	$460,405
Percentage rent for TIDA	$429,608.22	$437,385
Percentage rent reimbursed to JSCo for Playground Construction	$983.78	
Total percentage rent to TIDA	**$430,592.00**	$437,385
Percentage rent for JSCO	$22,663.00	$23,020

This percentage rent breakdown reflects the current year split by TIDA/JSCo. Beginning with April 2005 disbursements, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
October 2009 Operations for Treasure Island Project

DRAW	Draw 117	Draw 118	Draw 119	Draw 120	Draw 121	Draw 122	Draw 123	Draw 124	Draw 125	Draw 126	Draw 127	128	Draw 129
Units ready for occupancy at Beginning of month	578	578	578	578	578	578	578	578	578	578	578	575	578
Units Leased and Occupied during month													
Aggregate Units Leased and Occupied during month	536	536	529	531	531	538	529	524	518	498	485	431	486
Average Unit Rent													
	October	November	December	January	February	March	April	May	June	July	August	September	October
REVENUE FROM OPERATIONS													
Estimate of Gross Revenue	1,140,521	1,141,429	1,143,658	1,145,730	1,147,181	1,149,400	1,150,672	1,165,330	1,155,271	1,179,835	1,168,409	1,166,526	1,139,587
Adjustment for Move-In Timing	-32,182	-35,774	-31,994	-40,981	-49,858	-43,535	-43,427	-47,463	-61,570	-83,294	-110,182	-77,410	-115,810
Financial Income (inc. marketing from Sept. 2000 onward)	3,265	565	1,603	827	737	1,984	562	426	1,211	788	836	854	843
Credit Check Revenue													
Other Revenue	7,392	6,904	13,949	5,233	12,867	3,992	12,743	9,557	10,558	10,512	12,241	13,234	11,234
Gross Revenue Collected	1,118,993	1,113,124	1,127,226	1,102,529	1,110,897	1,111,449	1,120,351	1,117,859	1,100,464	1,107,851	1,091,303	1,103,204	1,035,854
EXPENSES FROM OPERATIONS													
6300 ADMINISTRATIVE EXPENSES													
6210 Advertising/Marketing	3,154	1,415	1,327	2,762	2,255	1,333	2,387	6,235	1,761	1,174	1,214	4,865	1,760
6250 Credit Reports	1,904	1,258	1,100	794	1,482	1,508	1,547	1,339	648	1,962	1,482	1,853	1,180
6287 Model Unit/Office TI	-2,502	-43	0	0									
6310 Office Salaries	21,527	21,359	26,007	21,137	19,839	21,981	20,762	21,851	22,508	23,737	24,839	10,885	22,117
6311 Office Supplies	6,144	2,553	3,065	4,942	4,643	6,440	4,976	6,705	3,637	6,375	6,032	3,022	6,267
6315 Furniture Lease													
6318 Consulting Expense													
6319 Office Supplies Environmental													
6320 Management Fee	32,536	33,710	32,397	34,139	33,218	33,104	36,373	32,815	32,109	32,726	34,050	30,508	31,407
6326 Temporary Services			0	0									
6330 Manager/Supervisor	5,618	5,358	8,265	5,657	5,250	5,813	5,625	5,812	5,825	5,813	5,812	5,250	6,188
6331 Staff Units	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
6333 Payroll Suspense													
6340 Legal Expenses	4,050	2,954	6,555	2,104	1,558	7,527	1,778	2,890	-804	838	5,393	3,391	5,785
6341 Legal Environmental													
6350 Audit Fee/Bookkeeping			0	1,500		20,593	0	1,710	0	0	0		
6360 Telephone	2,454	1,712	1,750	1,968	2,021	1,759	2,529	1,517	1,722	1,872	1,650	1,653	1,703
6370 Collection Loss	10,219	304	384	-60		60	0		33,768	6,715	-29	-206	10,631
6380 Miscellaneous Administrative	3,300	114	638		-1	258	1,032	0		2,806	774	1,035	1,954
6385 Mileage/Travel	1,000	1,847	-158	1,015	145	946	843	1,181	1,070	619	772	1,567	450
6386 Vehicle Lease & Insurance													
6392 Seminars/Training			100			1,110	185						
6393 Temporary Services													
6394 Community Outreach													
6395 Administrative Services													
6396 Computer Charges	165	232	165	765	3,148	3,618	788	769	697	2,037	165	165	502
6398 Rent Credits													
Remediation Expense			0	0									
Subtotal: Administrative Expenses	92,075	75,170	84,195	79,423	75,859	108,649	81,395	85,423	105,541	89,273	84,564	74,390	98,573
UTILITIES													
8450 Subtotal: Utilities	147,603	147,186	147,186	147,186	147,186	147,186	147,186	147,186	147,186	151,420	148,937	126,673	137,629
8589 Navy CAM Charge	28,242	28,242	28,242	28,242	20,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242
6500 OPERATING AND MAINTENANCE													
6510 Janitorial Payroll													
6515 Janitorial Supplies	1,113	633	83	251	390	347	566	83	1,097	136	1,002	1,656	0
6517 Contract Cleaning	-3,080	450	110	810	1,130	890	660	890	2,740	1,030	1,960	950	100
6519 Exterminating/Supplies	1,505	1,200	3,770	1,290	1,670	150	2,620	150	2,075	1,320	2,190	1,430	925
6521 Operation/Maintenance Rent Free Unit	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825
6525 Rubbish Removal	21,843	7,086	19,744	15,318	20,342	17,840	17,703	17,794	21,590	14,961	23,623	18,109	20,151
6530 Security Contract	9,363	8,507	9,995	7,154	7,329	9,205	8,024	8,168	9,093	11,272	7,509	12,428	9,908
6532 Security Supplies	3,813	104	3,773	1,103	833	3,348	232	519	4,459		2,724	3,790	605
6533 Fire Alarm Expenses		200	0	104	499	760	1,588	0	705	5,026	0	1,047	721
6520 Maintenance Contracts													
6535 Grounds Payroll													
6536 Grounds Supplies													
6537 Grounds Contract	38,199	38,199	38,199	38,199	38,199	38,199	42,105	38,449	38,769	37,787	37,175	38,644	43,794
6530 YBI Maintenance Payroll													
8510 Maintenance Payroll	14,389	16,282	19,504	17,476	15,503	17,499	20,181	21,614	19,124	18,446	18,782	14,657	13,155
6541 Repairs Material	8,838	1,201	-121	4,065	4,986	3,880	13,693	7,382	5,928	5,653	3,928	8,507	6,664

L[illegible]E OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
October 2009 Operations for Treasure Island Project

DRAW	Draw 117	Draw 118	Draw 119	Draw 120	Draw 121	Draw 122	Draw 123	Draw 124	Draw 125	Draw 126	Draw 127	128	Draw 129
Units ready for occupancy at Beginning of month	578	578	578	576	578	578	578	578	578	578	578	578	578
Units Leased and Occupied during month													
Aggregate Units Leased and Occupied during month	536	536	529	531	531	538	529	524	516	498	485	431	486
Average Unit Rent													
	October	November	December	January	February	March	April	May	June	July	August	September	October
6542 Repairs Contract	435	1,210	4,370	7,354	3,935	4,360	75	1,075	11,468	4,980	7,590	5,034	5,145
6543 Plumbing Maintenance (includes $618 EOY adjustment in December, 200	19,974	18,054	10,903	5,543	5,452	23,303	11,671	0	11,216	6,757	6,403	11,038	4,258
6544 Electric Maintenance	279	2,568	1,002	597	1,562	2,371	2,220	928	1,176	2,064	-16	3,286	949
6545 Elevator Maintenance								0					
6546 Heating and Cooling (includes $291 EOY adjustment in December, 2004)	3,922	1,886	3,051	971	248	2,022	2,713	0	294	0	235	548	
6548 Payroll Environmental													
6549 Repair Material Environmental		4,750	0				978	3,850		0			
6553 Appliance Repairs	835	65	0	1,158			830		1,053	807	275	1,308	
6554 Windows Repairs													
6555 YBI Maintenance Repair													
6560 Painting and Decorating (includes adj for August 2007)	7,383	1,990	19,980	6,481	3,094	1,812	-1,244	1,052	3,680	4,413	1,882	2,855	
6562 Roof Repairs/Contract													
6565 Furniture rent - Temp Relocation													
6570 Vehicle Lease		619	159	916	1,514	205			325	0		197	
6572 Maint and Equipment Repair (includes $769 EOY adjustment in Dec)													
6590 Misc. Oper and Maintenance			0	0			732		0	0		2,744	
6573 Uniform/Laundry Service			0	150	50	41	850			1,577	372		
6598 Fire Damage Costs													
7230 Interior Replacement (eligible for RR Draw)	40,215	34,784	6,732	10,576	17,039	18,472	95,590	23,798	50,827	39,125	32,946	32,779	16,776
7220 Appliance Replacement (eligible for RR Draw) (includes $2,160 EOY adj i	6,056	14,842	4,707	6,964	7,711	10,889	13,768	4,362	30,924	496	11,068	12,404	15,159
7260 Relocation Expense	-32.5								330				
7240 Exterior Replacement (eligible for RR Draw) (includes $9,320 EOY adj in D	51,379	4,004	49,234	41,621	16,225	35,181	16,877	20,579	44,430	2,975	4,980	3,669	66,047
Subtotal: Operating and Maintenance	227,454	160,618	195,129	170,046	149,534	192,680	253,685	152,509	263,126	161,251	164,452	174,913	206,379
6700 TAXES/INSURANCE													
6710 Taxes -- Real Estate													
6711 Payroll Taxes	5,372	3,226	7,705	5,879	4,303	3,567	3,356	6,048	3,626	3,559	5,623	5,041	3,140
6790 Misc Licenses/Permits (inc. marketing in September, 2000 on)			0	0	0	0	0	-35	0				
6720 Property Insurance (inc. adj for Insurance Claims and YTD adj)	34,184	34,184	34,184	34,184	34,184	35,878	33,979	33,979	36,273	35,101	38,007	34,401	35,453
6721 Fidelity Bond			0	0		0	0	0	0	0			
6722 Workers Compensation (includes 511 EOY adjustment in Dec)	3,278	3,404	3,773	2,919	2,481	3,041	3,112	4,821	3,142	3,152	3,067	2,607	2,778
6723 Employee Health and Life Insurance (excludes 401(k)	5,089	5,088	4,887	5,247	5,501	5,996	5,557	5,557	5,557	5,557	5,557	5,557	5,541
401(k) Matching Contribution estimate		508	3,206	508	508	1,349	564	564	564	564	564	564	564
6710 Possessory Interest Tax	5,990	5,990	5,990	5,990	5,990	5,990	5,990	5,996	5,990	5,990	6,221	6,106	6,106
Base Rent Payment	46,230	46,230	46,230	46,230	46,230	46,230	46,636	46,636	46,636	46,636	46,638	46,636	46,636
Subtotal: Taxes/Insurance	100,142	98,629	105,975	100,956	99,197	102,051	99,194	103,560	101,791	100,559	105,675	100,911	100,217
6900 SERVICE EXPENSES													
6991 Recreation Salaries													
6992 Recreation Supplies (includes -$150 EOY adjustment in Dec)	0	0	0	0	0	0	0	0	0	0		3,000	0
6995 Jitney	0	0	0	0	0	0	0	0	0	0			
Subtotal: Services	0	0	0	0	0	0	0	0	0	0	0	3,000	0
7000 Replacement Reserve Eligible Expenses													
7100 CORPORATE EXPENSES													
7120 Legal Expenses													
7130 Federal Income Tax													
7131 State Income Tax													
Subtotal: Corporate Expenses													
Adjustment for Operating Expense actuals for 2003 (reversal in Dec 2004)													
TOTAL OPERATING EXPENSES	595,516	599,945	569,718	525,053	509,117	578,888	609,793	516,919	645,888	530,745	631,861	508,329	671,039
Monthly Expense per Unit (net of Replacement Reserves)													
Less Reserves	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560
TOTAL EXPENSES	607,076	521,405	572,278	537,413	511,677	590,368	621,263	528,479	657,448	542,305	543,421	519,889	582,599
Total Expenses Net of Environmental	607,076	516,665	572,278	537,413	511,677	590,368	620,285	624,629	657,448	542,305	543,421	519,889	582,599
Per Unit Monthly Expenses (of occupied units -- Net of Environmental)													
Per Unit Monthly Expenses (occupied unit pro rata of Total Expenses)													
TOTAL ENVIRONMENTAL EXPENSES	0	4,760	0	0	0	0	978	3,850	0	0	0	0	0

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
October 2009 Operations for Treasure Island Project

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Units ready for occupancy at Beginning of month	578	578	578	578	578	578	578	578	578	578	578	578	578
Units Leased and Occupied during month													
Aggregate Units Leased and Occupied during month	536	536	529	531	531	538	529	524	516	498	485	431	486
Average Unit Rent													
	October	November	December	January	February	March	April	May	June	July	August	September	October
DISBURSEMENT OF REVENUES (Per Sublease Agreement)	October 2008 Actuals	November 2008 Actuals	December 2008 Actuals	January 2009 Actuals	February 2009 Actuals	March 2009 Actuals	April 2009 Actuals	May 2009 Actuals	June 2009 Actuals	July 2009 Actuals	August 2009 Actuals	September 2009 Actuals	October 2009 Actuals
Adjusted Gross Revenue	1,116,993	1,113,124	1,127,226	1,102,529	1,110,607	1,111,449	1,126,351	1,117,559	1,109,464	1,107,651	1,061,363	1,103,204	1,035,554
Less Base Rent	-46,230	-46,230	-46,230	-46,230	-46,230	-46,230	-46,636	-46,636	-46,636	-46,636	-46,636	-46,636	-46,636
Less Operating Expenses	-488,569	-401,663	-453,858	-417,243	-392,427	-471,232	-498,452	-469,227	-538,901	-423,141	-422,933	-402,943	-464,755
Less CAM Charge	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242
Less Replacement Reserve Funding	-11,908	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560
Management Fee	-32,538	-33,710	-32,397	-34,139	-33,216	-33,164	-36,373	-32,815	-32,109	-32,726	-34,050	-30,508	-31,407
Less Marketing Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	-667,076	-521,405	-572,276	-537,413	-511,677	-590,368	-621,263	-588,479	-657,446	-542,305	-543,421	-519,889	-582,599
Revenues Net of Operating Expenses	511,916	591,719	554,947	565,116	599,220	521,081	499,088	589,379	451,016	565,546	517,882	583,316	453,254
Ledger Reduction for Period													
Accretion for Period													
Adjustment for Actual Accretion in May ($26,806 vs. $23,699)													
Adjustment for Actual Accretion in June ($23,699 vs. $19,847)													
Adjustment to Reconcile Possessory Interest thru June 2008													
Developer Fee (fee based on Amendment 2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Allowable Construction Costs													
Total Expenses for Construction and Ledger Account Activities													
Revenues Remaining for Distribution in Percentage Rent	511,916	591,719	554,947	565,116	599,220	521,081	499,088	589,379	451,016	565,546	517,882	583,316	453,254
TIDA Share of Revenues (Percentage Rent)	-486,321	-562,133	-527,200	-536,860	-569,259	-495,027	-474,134	-559,910	-428,465	-537,269	-491,988	-554,150	-430,592
JSCo Share of Revenues (Percentage Rent)	-25,595	-29,586	-27,747	-28,256	-29,961	-26,054	-24,954	-29,469	-22,551	-28,277	-25,894	-29,166	-22,663
Total Percentage Rent Disbursed	-511,916	-591,719	-554,947	-565,116	-599,220	-521,081	-499,088	-589,379	-451,016	-565,546	-517,882	-583,316	-453,255
Ending Balance Gross Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0

COMPARISON TO BUDGET OCTOBER 2009

	OCTOBER				YEAR TO DATE			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Total Revenue	1,035,854	1,016,781	19,073	1.88%	10,979,761	10,167,810	811,951	7.99%
Marketing	7,625	7,125	500	7.02%	65,780	71,250	(5,470)	-7.68%
Administrative	90,948	77,117	13,831	17.93%	817,400	771,170	46,230	5.99%
Utilities	137,629	150,560	(12,931)	-8.59%	1,447,975	1,505,600	(57,625)	-3.83%
O&M (incl insurance expense)	136,640	144,628	(7,988)	-5.52%	1,466,401	1,446,280	20,121	1.39%
Tax Ins (inc. community room and finance exp)	53,581	58,291	(4,710)	-8.08%	548,971	585,160	(36,189)	-6.18%
Rent	46,636	47,245	(609)	-1.29%	465,139	472,450	(7,311)	-1.55%
Reserves	11,560	11,560	-	0.00%	115,600	115,600	-	0.00%
Replacement (excl. anticipated draw)	97,981	59,850	38,131	63.71%	704,597	598,500	106,097	17.73%
Total Expenses	582,599	556,376	26,223	4.71%	5,631,862	5,563,760	65,852	1.18%
Prior Period Adjustments								
Available for Distribution	453,254	460,405	(7,151)	-1.55%	5,347,899	4,604,050	743,849	16.16%
Available for Distribution	453,254	460,405	(7,151)	-1.55%	5,347,899	4,604,050	743,849	16.16%
TIDA	430,592	437,385	(6,793)	-1.55%	5,080,504	4,373,848	706,657	16.16%
JSCo	22,663	23,020	(359)	-1.56%	267,395	230,203	37,191	16.16%

THE
JOHN STEWART COMPANY
CONSTRUCTION SERVICES GROUP

1388 Sutter Street, 11th Fl.
San Francisco, CA 94109-5427
CONTRACTORS LICENSE 832921

415.345.4400
Fax 567.7249
www.jsco.net

CONSTRUCTION MANAGEMENT INVOICE SUMMARY

PROJECT: Treasure Island Playground
PO#3375
BILLING DATE: May 30, 2009

JOB NO.: 10123
PAYMENT APPLICATION NO.: 10,123.10
PAGE NO.: 1 of 1

To: The Villages at Treasure Island
The John Stewart Company
San Francisco, CA. 94109
Attn: Ned York

Remit To: The John Stewart Company
1388 Sutter Street, 11th Floor
San Francisco, CA. 94109

JUL 17 2009

DESCRIPTION: Construction Management Services for April 2009

1 CONSTRUCTION MANAGEMENT SERVICES (A Fixed Fee of $13,036.66)

Fee	x	% COMPLETE	
$13,036.66		100.00%	13,036.66
		Previous Billed	13,036.66
		Current Invoiced	0.00

2 CONSTRUCTION SERVICES SUMMARY

Ross Recreation Equipment	0.00
San Francisco GAA	0.00
Subtotal	*0.00*

3 CONTIGENCY (A Fixed Fee of $11,107.23)

	COST	x	Multiplier	=	TOTAL
National Construction Rentals			1.15		0.00
Safeplay By Design			1.15		920.00
			1.15		0.00
			1.15		0.00
			1.15		
			Current Invoiced		920.00
			Previous Invoiced		9,413.51
			Total YTD		10,333.51

4. GL INSURANCE REIMBURSEMENT(A Fixed Fee of $3,911.00)

	COST	x	% COMPLETE	TOTAL
This Invoice	*$3,911.00*		100.0%	3,911.00
			Previous Billed	3,911.00
			Current Invoiced	

5 Total Gross Amount before Retention — 920.00
6 Less Withholding 10% retention — $92.00
NET CONSTRUCTION MANAGEMENT TOTAL — 828.00

Construction Development/Rehabilitation Services - Previous Invoices
Construction Development/Rehabilitation Services - This Invoice
Total Construction Development/Rehabilitation Services To Date

CK#8735 Issue 7/27/09 $828

THE JOHN STEWART COMPANY
CONSTRUCTION SERVICES GROUP

1388 Sutter Street, 11th Fl.
San Francisco, CA 94109-5427
CONTRACTORS LICENSE 832921

415.345.4400
Fax 567.7249
www.jsco.net

CONSTRUCTION MANAGEMENT INVOICE SUMMARY

PROJECT: Treasure Island Playground
PO#9375
BILLING DATE: July 31, 2009

JOB NO.: 10123
PAYMENT APPLICATION NO.: 10,123.12
PAGE NO.: 1 of 1

To: The Villages at Treasure Island
The John Stewart Company
San Francisco, CA. 94109
Attn: Ned York

Remit To: The John Stewart Company
1388 Sutter Street, 11th Floor
San Francisco, CA. 94109

DESCRIPTION: Construction Management Services for July 2009

1 CONSTRUCTION MANAGEMENT SERVICES (A Fixed Fee of $13,036.66)

Fee	X	% COMPLETE	
$13,036.66		100.00%	13,036.66
		Previous Billed	13,036.66
		Current Invoiced	0.00

2 CONSTRUCTION SERVICES SUMMARY

Ross Recreation Equipment			0.00
San Francisco GAA			0.00
		Subtotal	0.00

3 CONTIGENCY (A Fixed Fee of $11,107.23)

	COST	x Multiplier =	TOTAL
Ross Recreation Equipment	135.48	1.15	155.78
Safeplay By Design	0.00	1.15	0.00
		1.15	0.00
		1.15	0.00
		1.15	
		Current Invoiced	155.78
		Previous Invoiced	
		Total YTD	

OK to pay

PAID
OCT 27 2009
BY:

4. GL INSURANCE REIMBURSEMENT(A Fixed Fee of $3,911.00)

	COST	X % COMPLETE	TOTAL
This Invoice	$3,911.00	100.0%	3,911.00
		Previous Billed	3,911.00
		Current Invoiced	

5 Total Gross Amount before Retention
6 Less Withholding 10% retention $15.58

TOTAL CONSTRUCTION MANAGEMENT FEE DUE THIS INVOICE

Construction Development/Rehabilitation Services - Previous Invoices
Construction Development/Rehabilitation Services - This Invoice
Total Construction Development/Rehabilitation Services To Date

RECEIVED
OCT 22 2009
BY:

Final invoice for T.I. playground project.

CK#8798 issued 8/13/09 $140.20

CK#8986 issued 10/27/09 $15.58

Ned York

From: Lynny Lee
Sent: Wednesday, November 18, 2009 11:32 AM
To: Ned York
Subject: FW: T.I. Playground Invoice Reimburse from % Rent
Attachments: T.I. Playground Invoice Final Bill GL1485-000.pdf

Dear Ned,
Would you please forward the request to Mike before he start working on % rent calculation. Thanks for your help.

Lynny Lee
Senior Accountant
The John Stewart Company
1388 Sutter Street, 11th Floor
San Francisco, CA 94109
llee@jsco.net
Direct: 415-345-4434 Fax: 415-614-9176
****

From: Lynny Lee
Sent: Friday, November 13, 2009 2:19 PM
To: Ned York
Subject: T.I. Playground Invoice Reimburse from % Rent

Dear Ned,
Here attach with the invoices backup for T.I. Playground Project which we can reimbursed by deduct from % rent payment to Treasure Island Development Authority.
This will be the final request for playground project and total reimbursement will be $983.78. Please refer to attach copy of invoices. Please let me know if you have any question. Would you please forward the request to Mike after your review? Thanks.

Lynny Lee
Senior Accountant
The John Stewart Company
1388 Sutter Street, 11th Floor
San Francisco, CA 94109
llee@jsco.net
Direct: 415-345-4434 Fax: 415-614-9176
****

TREASURE ISLAND

Volume 1, Issue 10

NEWS

This newsletter was prepared By Good Neighbors of Treasure Island and Yerba Buena Island under consultation with: Treasure Island Development Authority; Mayor Gavin Newsom; Owen Stephens, President, Treasure Island Authority; and Mirian Saez, Director of Island Operations

INSIDE THIS ISSUE:

TREASURE ISLAND NEWS

DEADLINES AND CONDITIONS

- All submissions of articles, announcements, and calendar items must be submitted to the Editor-in-Chief prior to the 15th of the month of publication for consideration. Email TreasureIslandNews @comcast.net
- The editorial board reserves final rights for inclusion and exclusion.
- Acceptable formats are text submitted in Microsoft Word, PowerPoint, Publisher, JPEG or PDF.
- We encourage positive ideas, solutions and creative problem-solving for our communal challenges; we choose to build community rather than find blame.

THE 108

For many of us on the Island the Muni 108 is our sole means getting around. There are some changes coming you will want to be aware of.

Effective December 5, we will be losing the segment of the trip from the Transbay Terminal to Safeway. On Treasure Island itself the bus will no longer go down Ave. M, but will start to go down Ave H instead. A map of the changes can be found on page 4. You can read about more changes at MUNI by going to www.sfmta.com.

Sometime in the second quarter of the year (April, May or June) the 108 should stop going to the Transbay Terminal all together, and will be re-routed to the temporary terminal currently under construction (http://temporaryterminal.org/closures).

Thanks to Rich Rovetti and Marianne Thompson of TIDA our replacement bus shelters have been installed. We have waited a very long time for these replacements. Please report any vandalism to the police and to Marianne Thompson at 415-274-0662. Thank Rich and Marianne!

RESIDENT SURVEYS

"A big thank you to everyone who has participated in the Treasure Island resident interview program thus far. Your participation allows Treasure Island Development Authority and Treasure Island Community Development to better understand the current community of residents as they plan for the proposed redevelopment of Treasure Island and Yerba Buena Island.

If you have not yet participated in a resident interview, please do so. More than 500 households have already participated, but we are aiming higher and want everyone to contribute.

You still have the opportunity to participate, but time is running out. Interviews will continue until December 10th.

Continued on page 8

GOOD NEIGHBORS QUARTERLY MEETING

Good Neighbors, the community group that produces this newsletter, the residents resource guide and hosts the monthly Island Watch meetings, and is working to address quality of life issues on the Island is holding its December quarterly general membership meeting

When: Saturday, December 12
Time: 11 am—1 pm
Were: The Shipshape Building

To RSVP, please either visit www.TreasureIslandSF.org and register, or call (415) 520-6653 and leave your name and phone number.

December 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5 **108 Bus Line Changes** See page 1
6	7	8	9	10 **Last Day for Surveys** *See page 1*	11	12 **Good Neighbors Meeting 11 –1 pm Shipshape**
13	14	15 **Navy RAB Meeting** *Potluck @6* *Meeting @7*	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Learn about the environmental cleanup on the Island—The next Restoration Advisory Board (RAB) meeting is on Tuesday, December 15, 2009 at the Casa de la Vista. The meeting officially begins at 7pm and runs to about 8:30. However, in December we also have a potluck beginning at 6pm so folks can come socialize, talk to the Navy, and enjoy the view of the skyline

"Time in running out! The Treasure Island resident interview program will be ending December 10th. Please Participate. Please contact AutoTemp at 510-238-9386 to schedule an interview.

Tech Center December Computer Classes

Good Neighbors and TIHDI have teamed up together to offer free basic computer classes at the ShipShape. Our classes in December and January will focus on the Basic Introduction to Computers.

For the computer basics course below you must attend all three sessions.

Sat. Dec. 5 10 - 12 **Computer Basics 1:** Parts of the Computer; Using the Mouse; What a "Window" is; Minimizing and maximizing windows; How to create files and folders

Sat. Dec 12 10 -12 **Computer Basics 2:** The Windows desktop, icons, making folders

Sat. Dec 19 10 - 12 **Computer Basics 3:** Create folders, download files from the Internet, copy and paste files, edit Word files.

Note: Weekday and Evening classes will be based on residents need, interest, and the availability of volunteers. Please contact Sherryl Morris at 415-986-4810 or smorris@tihdi.org if you are interested.

How to sign up for classes:

- Registration is on a first come/first served basis.
- If you do not attend a class you sign up for, you will be wait listed for future classes.
- You can register in person at the center, or by emailing (smorris@tihdi.org) or by calling Sherryl Morris at 415-986-4810.
- You must be 18+ and a resident of the island.

Tech Center Refurbished computers

Need a computer? Reliatech, has partnered with TIHDI and the Tech Center to provide refurbished computers to Island residents. Each computer comes complete with Microsoft Office 2003, AVG virus protection software, adobe reader, a wireless network card, monitor, keyboard, mouse, 90- day warranty.

If you are interested please submit a money order or money gram if the amount is $125.00 payable to TIHDI no later than Friday, Dec. 11th.

You must complete a brief training in how to connect the computer parts and an overview of computer maintenance at the time of pickup, as well as register with the center when you come in to pick up your computer. To see a demo model, visit the ShipShape anytime the business center is open.

This offer is on a first come/first served basis. Availability is subject to change . To purchase a refurbished computer, contact Sherryl Morris @ 415-986-4810 or stop by the Ship Shape office during regular office hours.

A demonstration model is available for your review at the Ship Shape.

2010 TAX Volunteers Needed on Treasure Island

The Treasure Island Tax Site will be open for the 2010 tax season and we need volunteers.

As a member of the Earn It! Keep It! Save It! San Francisco, County coalition, TIHDI and it's Business Assistance Center (which also provides other financial services for clients), is located at the Ship-Shape building on Treasure Island, is a VITA (Volunteer Income Tax Assistance) site that prepares tax returns for low to moderate income families and individuals, earning less than $52,000 a year.

We want to help people with their tax return, ensuring they receive the tax refund they deserve. We also want our clients to avoid paying predatory fees to have their taxes prepared somewhere else.

But we need help.

With the help of the Earn It! Keep It! Save It! Coalition and the IRS, we train and certify our volunteers so they can prepare returns for our clients.

Training is free and takes approximately 24 to 36 hours to complete.

Training usually takes place in December or January. Volunteers then take a test to certify at up to 3 levels: basic, intermediate, and advanced.

By being a VITA site volunteer, you will:

- Learn a valuable and useful skill: tax preparation
- Regularly work with other volunteers that want to help people, too
- Help families and individuals that really need someone they can trust to do their taxes and get their full tax refund without feeling taken advantage of or insecure about the process
- See the immediate effects of your hard work – a family sees their refund amount and can't stop smiling and thanking you

If you are interested in being a VITA volunteer with the Treasure Island VITA site, please contact Shannon Wise at 415.274.0311 ext 301 or by sending an email to swise@tihdi.org so I can be sure to send you training schedules and get you all the information you need to be ready for the 2010 tax season or visit www.earnitkeepitsaveit.org and click on the VOLUNTEER button.

Muni Service Change and new 108 Map

Muni Route

108

MUNI SERVICE EFFECTIVE DECEMBER 5
有效12月5日
PARTIR DEL 5 DE DICIEMBRE

Symbols

108

Segment Eliminated 取銷約服務路線分段 Segmento Eliminado

N/T, 10 (Nearby Muni Service 鄰近服務 Servicio Muni Cercano)

108 Treasure Island - Segment eliminated/route modified

The segment of the 108 Treasure Island will be eliminated between the Transbay Terminal and 4th and Townsend streets. Service also will be rerouted from Avenue M to Avenue H on Treasure Island.

Nearby Muni Service to the Caltrain Depot: Muni's N Judah Line, T Third Line and 10 Townsend provide nearby service.

108 Treasure Island - 取銷服務路線分段/修改路線

將會取銷 108 Treasure Island 的服務路線分段，即位於 Transbay 總站以及 4th Street 及 Townsend Street 的服務路段。服務路段也會被重新改道，即金銀島上的 Avenue M 至 Avenue H 路段。

通往Caltrain火車站的鄰近 Muni 服務: Muni 的 N Judah 輕軌車、T Third 輕軌車以及 10 Townsend 公車，負責提供附近的交通服務。

108 Treasure Island - Segmentos eliminados/ruta modificada

El segmento de la 108 Treasure Island será eliminado entre Transbay Terminal y 4th Street y Townsend Street. El servicio también tendrá otra ruta desde Avenue M hacia Avenue H en Treasure Island.

Servicio Muni Cercano hacia Caltrain Depot: Las líneas N Judah y T Third y la 10 Townsend de Muni proveen servicio cercano.

Holiday Safety Tips by SF Safe

Though crime rates are down on the Island at present we usually experience an increase of crimes' of opportunity during November and December. Most burglaries occur because of an open window or door (even on the second story) and can be avoided by keeping all entrances to your home locked.

Below are some suggestions on how to enjoy a SAFE holiday season by San Francisco SAFE,:

Personal Safety

- Share your shopping itinerary with someone you trust.
- If shopping after dark, take a friend. Park in well lit & well-traveled areas.
- Be Alert! Look confident; walk with a purpose.
- Avoid overloading yourself with packages.
- Keep keys in your hand when walking to your car or home.
- Be aware of your surroundings and anyone approaching you or your vehicle.
- If someone demands your purse or wallet, surrender it immediately—it's not worth your life.
- If anything is stolen, report it to the police.

Home Burglary Prevention

- Gifts and valuables should be kept out of sight and away from windows.
- If you are traveling, ask a neighbor to watch your house. If you have an alarm system, use it!
- Put timers on different lights throughout the interior and exterior of the house.
- Have newspapers, mail and deliveries held or picked up by someone you trust.
- Take a home inventory of your valuables and record serial numbers; engrave property with your CA driver's license number or ID number. Photograph your items.
- Do not publicize that you will be out of town for the holidays on your answering machine or to others whom you don't know.
- Schedule a Residential Security Survey with SAFE.
- Start a SAFE Neighborhood Watch group so you and your neighbors can identify and report suspicious activities.

Prevent Pickpocketing and Identity Theft

- Bring only the cash and credit cards you will need.
- Keep cash separate from ID and credit cards. Do not carry your social security card or passport.
- Be Alert! Your purse or wallet may be a target for crime in crowded shopping areas, bus stops, and on buses. Be wary of those creating distractions.
- Limit the use of your iPod or cell phone when in public areas; your awareness level is compromised and you could be the target of pickpocketing, robbery and iPod theft.
- Record credit card numbers so you can immediately report any loss to the police and issuing company.
- Strong, confident body language and eye contact with others is likely to discourage pickpocketing.
- Men should keep wallets in hard-to-reach spots.
- Women should keep wallets deep inside their purse.
- If taking public transit, keep your Fast Pass separate from your purse or wallet.
- Shred receipts that show your credit card number.

Prevent Auto-Boosting (breaking into your car)

- Leave nothing visible in the car. Keep vehicle locked, including doors and trunk.
- Keep packages locked in your car trunk while shopping.
- Move your car to a different location each time you pack in more items.
- Never leave your vehicle with the engine running.
- Consider parking in an attended lot if possible.

Be Alert and Aware of Suspicious Activities While Shopping or Traveling

- The Holiday shopping season gives rise to threats against shopping malls and other crowded places.
- Be alert and aware of your surroundings at all times.
- If you notice an unattended package at a shopping mall or at the airport, notify security.
- Be aware of suspicious persons who exhibit erratic or nervous behavior in a shopping mall, on public transportation or at an airport.
- Take notice of people in bulky or inappropriate clothing, which may be used to conceal threatening devices or objects.
- If you notice any suspicious chemical smells or pungent odors in public areas or on public transit, alert security.
- Report anyone tampering with surveillance cameras or entering unauthorized areas.
- If you see something, say something!

9-1-1 for Emergencies or Crimes in Progress

(415) 553-0123 for Non-Emergencies

Alert a Police Officer

Shopping Online with your Credit Card

- Do business only with companies you know.
- Shop only at secure websites.
- Do not respond to emails asking you for personal or credit card information.
- Check your credit card & bank statements regularly and closely for fraudulent use.
- Report any fraudulent charges to your bank, the credit bureaus, and the police.

From "Corps to Capitol"- Leaders in the Making at Treasure Island Job Corps

Last month, September 23rd , three Treasure Island Job Corps leadership staff (Business & Community Liaison Director Wilhelmina Parker; Work Based Learning Supervisor Krista Vendetti and Deputy Center Director Redford Salmon) journeyed to Capitol Hill in Washington, DC to partake in activities to commemorate Job Corps 45th Anniversary, themed "45 Years of Building Lives."

Journeying with them were two exemplary Treasure Island Job Corps students: Sajataflori Poole and Kamilah Banks from the Advanced Culinary Program and Certified Medical Assistant Programs respectively; two of the 11 technical training programs available at the San Francisco Treasure Island based Job Corps.

As part of the nationwide anniversary celebrations, Sajataflori (who also goes by her nickname "Sajata") and Kamilah, were part of a small group of students selected from various Job Corps' nationwide to shadow several congressional dignitaries on Capitol Hill, in Washington, DC. For Sajata, (also Treasure Island Job Corps Student Government Association President) this is the second time she has had the distinguished honor of visiting Capitol Hill to shadow a Congressional figure in connection with her studies at Job Corps.

The following interview provides a snapshot of the teenage Treasure Island Job Corps students' experiences regarding their Washington, DC visit and shares some of their simple words of wisdom; words which quite frankly, resonate at many levels.

Question: "You were both selected for this trip because you distinguished yourselves as exemplary Treasure Island Job Corps students. For both of you; what are three core strengths you feel have been developed by your experience(s) at Treasure Island Job Corps?"

Answer:

Sajata: "Well, Interpersonal skills- I've learned how to interact with people on very mature levels, Multi cultural Awareness- I've learned to respect people with their individualities, and different nationalities and beliefs. Communications- I've also learned the wonderful skill of communication. I can communicate with anyone; be it Congresswomen Barbara Lee, the Treasure Island Job Corps Center director Mr. Miller, or my fellow peers".

Kamilah: "For myself I'd have to say Independent Living. Since I have become a Job Corps student, I don't rely on my family as much for support. I am more reliant on myself. I have never had a job, but with help from Brian Stott and other Treasure Island Job Corps Center Career Transition Specialists I was able to find leisure time employment"

Question: "If you could share three things you learned following your trip to Washington, DC, what would they be?"

Answer:

Sajata: "The three things I've learned from this trip to D.C. are that it takes a lot of hard work, dedication, courage, and patience. Sorry that's four. It takes all of that to do or even be on their level and accomplish what they do on a daily basis".

Kamilah: Well, my response is more about me than anything...which I guess is good! I learned how to feel more comfortable addressing a large audience; even when being put on the spot. Also, I am more of a role model that I ever thought".

Question: "How has your trip impacted your career/personal development goals?"

Answer:

Sajata: "I'm going to the military in hopes to one day cook in the White House. But I don't see myself going into government or politics, I'm sure if I applied the four things I've learned I could, but it's not my thing."

Kamilah: "This trip will always be something that will make me stand out from the masses when dealing with future employers".

Question: "Are there any words of advice you'd like to share with your peers/others?"

Answer:

Sajata: On this trip to D.C. we got to see how life is on Capital Hill, and life doesn't get any easier, whether you are in Job Corps, at home, in college, working, or anything else -life will always be hard. It's your job as individuals, to get what you want out of life. So stay focused, dedicated, hard working, and when the going gets tough, keep moving forward".

Kamilah: "Hard work really does pay off in the end. And everything we do is for a reason. Let's make our reasoning positive".

Ms. Banks (left) and Ms. Poole (right) in pink shirts, on the steps of Capitol Hill preparatory for work on the Hill. Seen with them is Krista Vendetti-Work Based Learning Supervisor (in white shirt)

The Ohlone Indians on Yerba Buena Island

by Anthony Norton --- Sept. 23, 2009

In a previous issue, Lee Davis, former resident of Treasure Island told us about the reading group she had started on Island for resident children. Below is a story written by one of them... If you would like to know more about the reading group, please write to good_neighbors@treasureisland.net

The Indians that lived on Yerba Buena Island are the Ohlone Indians

They hunted animals like fish and rabbits.

They made boats called canoes.

The Ohlone spend their time mostly outside, but when they got cold, they wore rabbit skin blankets and stayed in their tule reed houses

Ohlone fathers and mothers loved their sons and daughters. The fathers would teach their sons how to hunt. The mothers would teach their daughters how to cook food

I am in the 5th grade. I live on Treasure Island. I am proud to be an Ohlone and Miwok Indian. My name is Anthony Norton

Halloween 2009

We're on the web!
www.TreasureIslandSF.org

How To Subscribe

For residents of the Villages, send an email to:

villages@jsco.net

with the subject "Email Notices Sign-Up." and include your name, address and contact information. Staff will first verify the information, and then send the latest community news.

For all other residents, agencies, staff and friends, please send your request to:

Good_Neighbors@comcast.net

Please encourage and tell your housemates and neighbors how to sign up.

Everyone is Welcome!

GOOD NEIGHBORS OF TREASURE & YERBA BUENA ISLANDS

Next Quarterly Meeting
Saturday
December 12, 2009
11 pm to 1pm
Shipshape
Call (415) 520-6653

Notes...

Continued from page 1

Interviews can be scheduled at a time that is convenient to you and can be conducted at your home or at offices located at Building One. To schedule an interview, please contact AutoTemp at 510-238-9386. If you have other questions about the long-term plans for the redevelopment of the island, please call the Treasure Island Redevelopment hotline at 415-554-6170

San Francisco SAFE, Inc. (Safety Awareness for Everyone) is a non-profit 501(c)(3) corporation that provides crime prevention education and public safety services citywide. We act as a liaison between the community and the San Francisco Police Department. SAFE strives to address crime and quality of life issues to make our neighborhoods a safer place to live, work and play. Visit SFSafe at www.SFSafe.org

December Bi-Monthly Community Meeting Canceled. The next community meeting will be held on Wednesday, Feb. 17, 6:30—7:30 at the ShipShape. For information, please contact Marianne Thompson at (415) 274-0662.

Treasure Island Parent Association Group
401 13th Street Ave. E Building 28
Contact Number: 415-655-3433

We are inviting you to our Treasure Island Parent Association Group right here on the island. Come join us in building our families up with in our community.

- General meetings once a month every third Friday
- Closed meetings with members every Wednesday 12:00 O'clock noon

Activities

Fridays: 2 – 5 Reading Resource Time
4 – 6 Pre-Teens Meeting
Drop In 5 – 7

Margaret Billsborough
Melanie Williams

TI Country Fair December 2009

Happy Hour Specials
3pm-6 pm, Monday-Friday

Treasure Island Bar & Grill
SAN FRANCISCO'S BEST VIEW

Come out and meet your neighbors!
Special TI/YBI Resident Happy Hour
Thursdays, 6:30pm–8pm

$3.50 Well Drinks
Bucket of Beer Specials
~~buy 4 get the 5th for free~~
$2.50 Beers & More!

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF THE ISLAND OPERATIONS

December 3, 2009

Mr. Lev Kilum
Lev's Probiotics, Inc.
2 Commodore Drive#384
Emeryville, CA 94608

Dear Lev,

On behalf of the Treasure Island Development Authority (TIDA), I would like to thank you for the donation of a case of Kombucha tea to the TIDA Board of Directors meeting on October 14, 2009.

TIDA Board Resolution #98-15-4/15 governs TIDA's ability to accept gifts and also gives the Director the authority to accept gifts valued at $10,000 or less via written acknowledgment. I have reviewed your e-mail and understand the value of the donation to be $144.00. Please let this letter serve as recognition and acknowledgment of said gift.

Thank you again for a great event.

Sincerely,

Mirian Saez
Director of Island Operations
Treasure Island Development Authority

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
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WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF THE ISLAND OPERATIONS

December 3, 2009

Mr. Philippe Lee
Jade Studio Productions
560 4TH Street
San Francisco, CA 94107

Dear Philippe,

It is my pleasure to thank you for your donation of the lovely photography binder to the Treasure Island Development Authority (TIDA) on November 18, 2009.

TIDA Board of Directors Resolution #98-15-4/15 governs TIDA's ability to accept gifts and also gives the Director the authority to accept gifts valued at $10,000 or less via written acknowledgment. I have reviewed your e-mail and understand that the value of the photography binder is $4,000. Please let this letter serve as recognition and acknowledgment of the gift.

Thank you again for your generous donation and I look forward to working with Jade Studio Productions in the future.

Sincerely,

Mirian Saez
Director of Island Operations
Treasure Island Development Authority

Thank you!

CITY & COUNTY OF SAN FRANCISCO

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GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF THE ISLAND OPERATIONS

December 3, 2009

Timothy Child
Tcho
Founder, Chief Chocolate Officer
Pier 17, San Francisco, CA 94111

Dear Timothy,

It is my pleasure to thank you for your donation of the delicious chocolate at the Treasure Island Development Authority ("TIDA") Board of Directors meeting on 11/18/09. The reception after the meeting was open to members of the public, Treasure Island employees and TIDA Board members and staff.

TIDA Board Resolution #98-15-4/15 governs TIDA's ability to accept gifts and also gives the Director the authority to accept gifts valued at $10,000 or less via written acknowledgment. I have reviewed your e-mail and understand that the value of the donated chocolate is $65.00. Please let this letter serve as recognition and acknowledgment of the gift.

Thank you again for your generous donation and I look forward to working with you in the future.

Sincerely,

Miriam Saez
Director of Island Operations
Treasure Island Development Authority

Thank you, again!

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
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WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF THE ISLAND OPERATIONS

December 3, 2009

Ms. Lorene McCaffrey
Wine Valley Catering
875 Sousa Lane
Napa, CA 94559

Dear Lorene,

On behalf of the Treasure Island Development Authority (TIDA), I would like to thank you for the donation of food and beverages for the TIDA Board of Directors meeting on November 18, 2009 at the Pavilion–by-the-Bay. The reception after the meeting was hosted by Wine Valley Catering as part of a marketing program to promote the Pavilion–by-the-Bay on Treasure Island as a newly available venue for Special Events. The reception after the meeting was open to members of public, Treasure Island employees and TIDA Board members and staff.

TIDA Board Resolution #98-15-4/15 governs TIDA's ability to accept gifts and also gives the Director the authority to accept gifts valued at $10,000 or less via written acknowledgment. I have reviewed the catering menu contract and understand the value of the reception to be $6,103.80. Please let this letter serve as recognition and acknowledgment of said gift.

Thank you again for a great event and I look forward to working with Wine Valley Catering in the future.

Many thanks!

Sincerely,

Mirian Saez
Director of Island Operations
Treasure Island Development Authority

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
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GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF THE ISLAND OPERATIONS

December 3, 2009

Ms. Suzanne Kavert
Best Beverage Catering
540 Barneveld Avenue
San Francisco, CA 94124

Dear Suzanne,

On behalf of the Treasure Island Development Authority (TIDA), I would like to thank you for the donation of beverages and wait staff for the TIDA Board of Directors meeting on November 18, 2009 at the Pavilion–by-the-Bay. The reception after the meeting was open to all members of public, Treasure Island employees and TIDA Board members and staff.

TIDA Board Resolution #98-15-4/15 governs TIDA's ability to accept gifts and also gives the Director the authority to accept gifts valued at $10,000 or less via written acknowledgment. I have reviewed your e-mail and understand the value of the reception to be $2,500. Please let this letter serve as recognition and acknowledgment of said gift.

Thank you again for a great event.

Sincerely,

Mirian Saez
Director of Island Operations
Treasure Island Development Authority

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
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GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF THE ISLAND OPERATIONS

December 3, 2009

Mr. Patrick Bowen
PB Wines
16 Morning Sun Avenue
Mill Valley, CA 94941

Dear Patrick,

On behalf of the Treasure Island Development Authority (TIDA), I would like to thank you for the donation of wine to the TIDA Board of Directors meeting on November 18, 2009 at the Pavilion–by-the-Bay. The reception after the meeting was open to all members of public, Treasure Island employees and TIDA Board members and staff.

TIDA Board Resolution #98-15-4/15 governs TIDA's ability to accept gifts and also gives the Director the authority to accept gifts valued at $10,000 or less via written acknowledgment. I have reviewed your fax and understand the value of the donation to be $60.00. Please let this letter serve as recognition and acknowledgment of said gift.

Thank you again for a great event.

Sincerely,

Mirian Saez
Director of Island Operations
Treasure Island Development Authority

Thank you!

CITY & COUNTY OF SAN FRANCISCO

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SAN FRANCISCO, CA 94130
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WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF THE ISLAND OPERATIONS

December 3, 2009

Mr. Paul J. Mirowski
Treasure Island Wines
527 Hillcrest Road
San Carlos, CA 94070

Dear Paul,

On behalf of the Treasure Island Development Authority (TIDA), I would like to thank you for the donation of wine to the TIDA Board of Directors meeting on November 18, 2009 at the Pavilion–by-the-Bay. The reception after the meeting was open to all members of public, Treasure Island employees and TIDA Board members and staff.

TIDA Board Resolution #98-15-4/15 governs TIDA's ability to accept gifts and also gives the Director the authority to accept gifts valued at $10,000 or less via written acknowledgment. I have reviewed your e-mail and understand the value of the donation to be $136.00. Please let this letter serve as recognition and acknowledgment of said gift.

Thank you again for a great event.

Sincerely,

Miriam Saez
Director of Island Operations
Treasure Island Development Authority

Thanks again!

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
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GAVIN NEWSOM, MAYOR

MIRIAN SAEZ
DIRECTOR OF THE ISLAND OPERATIONS

December 3, 2009

Mr. Lev Kilum
Lev's Probiotics, Inc.
2 Commodore Drive#384
Emeryville, CA 94608

Dear Lev,

On behalf of the Treasure Island Development Authority (TIDA), I would like to thank you for the donation of a case of Kombucha tea to the TIDA Board of Directors meeting on November 18, 2009 at the Pavilion–by-the-Bay. The reception after the meeting was open to all members of public, Treasure Island employees and TIDA Board members and staff.

TIDA Board Resolution #98-15-4/15 governs TIDA's ability to accept gifts and also gives the Director the authority to accept gifts valued at $10,000 or less via written acknowledgment. I have reviewed your e-mail and understand the value of the donation to be $48.00. Please let this letter serve as recognition and acknowledgment of said gift.

Thank you again for a great event.

Sincerely,

Mirian Saez
Director of Island Operations
Treasure Island Development Authority

WHERE: Jade Studio on Treasure Island, Warehouse #41 at California Avenue **WHEN:** Wednesday, November 11th, 2009 at 6:00PM - 9:00PM

JADE STUDIO
PRODUCTIONS

invites you to celebrate

The Grand Opening of our Second Studio

featuring

cocktails * light fare * entertainment * music
special guest speakers * displayed artwork * themed sets tours

JSP is the first in Northern California to feature
a variety of multi-themed cinematic photography sets under one roof
Theatrical Stage * Urban Scene * Pedestrian Tunnel * European Street Scene
Lounge Room * Café * Bicycle Shop Façade * Boudoir * Art Deco Hallway
Havana Courtyard * Contemporary Studio * Shanghai 1930's * Moulin Rouge
Enchanted Forest * Industrial Space * Rotating Multi-Use Flats

Thursday, July 16th
Media Preview* begins 6:00 pm
*Private media viewing and guided tour. Main Affair begins 7:00 pm

Warehouse #41 at California Avenue
Treasure Island, San Francisco (map)
Please RSVP by July 15th
rsvp@jadestudioproductions.com
415.977.0600
press release

We all enjoy an [illegible] guidance [illegible]
[illegible] 3 weeks [illegible]
[illegible]

The Examiner

Local/AP

Google Earth explores climate risks to California

By: SAMANTHA YOUNG
Associated Press
12/02/09 2:40 PM PST

SACRAMENTO, CALIF. — Google Inc. launched a new feature in its Google Earth Web site Wednesday designed to let Californians see the risks of climate change.

Google unveiled the new interactive tool in San Francisco as part of a climate change press conference by Gov. Arnold Schwarzenegger.

The state partnered with Google on the program that shows Californians how warming temperatures, rising sea levels, precipitation shifts and more frequent, intense wildfires impact their environment.

The feature, called CalAdapt, was one of the recommendations of a 200-page state report detailing how California should prepare for climate change.

"When it comes to fighting global warming and climate change, it is technology, in the end, that will save us all," Schwarzenegger said.

Internet users can view interactive maps showing such things as the shrinking snow pack along the Sierra Nevada and how a rise in sea level could submerge parts of San Francisco.

"It allows Californians to see what's happening to our wonderful and beautiful state," Google chief executive Eric Schmidt said.

The Google feature and climate report were produced after Schwarzenegger directed agencies last year to devise a strategy to prepare California for the inevitable changes ahead.

The Republican governor released his report on Treasure Island, a man-made island where three years ago he signed California's landmark global warming law that requires the state to slash greenhouse gas emissions by 2020.

The report warns rising temperatures over the next few decades will lead to more heat waves, wildfires, droughts and floods. It recommends avoiding development in low-lying areas vulnerable to rising sea level, storm surges and coastal erosion.

Not all the responsibility lies with state government, however.

"The 800-pound gorilla is land-use and making changes at the local level," said Tony Brunello, deputy secretary for climate change and energy at the California Natural Resources Agency, who helped prepare the report.

Schwarzenegger also created a 23-member climate advisory panel to devise recommendations for how the state must adapt to climate change. Its members include former U.S. Environmental Protection Agency Secretary William Reilly and former California Gov. Pete Wilson.

The recommendations are due in July.

On the Net:

http://www.climatechange.ca.gov/visualization/

Find this article at:
http://www.sfexaminer.com/local/ap/google-earth-explores-climate-risks-to-california-78357247.html

☐ Check the box to include the list of links referenced in the article.

Looking to get married on Treasure Island? Check out Wine Valley Catering's Pavilion by the Bay

Pavilion By the Bay

Wine Valley Catering recently hosted an open house for its new wedding and event venue, Pavilion by the Bay. Located just a stone's throw from San Francisco, on Treasure Island, Pavilion by the Bay is a gem of a ceremony and reception venue offering magnificent views of San Francisco, the Bay Bridge and the Golden Gate Bridge.

The heart of the venue is the Pavilion, a 6500+ square foot permanent tent structure that can accommodate more than 300 people for a sit-down dinner with dance floor. The state-of-the-art pavilion was designed by a German company and offers air-conditioning, heating and a beautifully-canopied ceiling. The adjacent outdoor lawn area is ideally situated for those couples wishing to host their ceremony on-site.

Lorene McCaffrey, Wine Valley Catering's proprietor, describes the new event space as a "hidden treasure on Treasure Island, where your guests will be in awe of the city...Absolutely spectacular!"

Wine Valley Catering is the exclusive caterer for the Pavilion by the Bay and Classic Party Rentals is the exclusive rental provider.

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SFGate.com

Shipyards developer stays course in bad economy

Robert Selna, Chronicle Staff Writer

Sunday, November 29, 2009




As San Francisco's first naval base redevelopment takes shape, a project with notable similarities across the bay has had mixed results, indicating how challenging it can be to remake large tracts of industrial property as economic cycles ebb and flow.

Like the Hunters Point Shipyard in San Francisco, Vallejo's Mare Island Shipyard opened in the mid-1800s, was central to shipbuilding during World War II, and developed a symbiotic relationship with its adjacent community - the base relied on residents for labor and workers depended on the base for their livelihoods.

When each base closed - Hunters Point in 1974 and Mare Island in 1996 - the communities confronted intertwined problems related to the land: staggering job losses on property whose economic potential was dependent on industrial cleanup, new infrastructure and development.

To meet the unique financial and logistical challenges, each city partnered with Miami-based Lennar Corp., one of the nation's top home builders based on units built and revenue. The company's experience with expensive and tedious infrastructure work and relative financial heft made it the right partner, the cities' officials said.

San Francisco has since chosen Lennar and its other investment partners to develop not only Treasure Island, but also Candlestick Point, which was added to the Hunters Point Shipyard project through a ballot initiative in June 2008. An environmental report is in the works for the 702 acres at the shipyard and Candlestick Point for a plan that calls for 10,500 residential units, research and development space, retail stores and possibly an NFL stadium.

Meanwhile, Mare Island's plan for 1,400 homes and industrial, retail and commercial space on 650 acres recently escaped being scuttled altogether when the team that included Lennar and its commercial development partner LNR were pulled into the bankruptcy case of a larger real estate interest, LandSource, in June.

Much to the relief of Vallejo's city leaders, Lennar, which is considered by Wall Street analysts to be financially secure and has projects throughout the United States, has decided to go forward with the project. LNR continues to have financial problems and has dropped out.

The Lennar-led development team in San Francisco is different than at Mare Island. In San

Francisco, the company has teamed with capital investors and infrastructure and retail development partners.

Officials in both San Francisco and Vallejo still praise Lennar.

"They have been a partner that we have worked well with for a long time on a complex project in a changing economy," said Vallejo Assistant City Manager Craig Whittom. "The land plan has been preserved, and we're looking forward."

But that plan has a long way to go and is well behind its stated goals. The Navy transferred the land to Lennar in 2002, and the company hopes the project will be completed in the next six to 10 years.

Of 1,400 planned homes, 274 have been constructed. The company has invested more than $142 million - $17 million more than it had projected. And land sales and leasing have generated $124.5 million, about $100 million short of original goals.

Home values on the former base have plummeted by around 40 percent, consistent with the rest of Solano County.

Most observers attribute the shortfalls to the slow pace of industrial cleanup and the national economic crisis, which originated with a collapse of the residential real estate market - a central component of the Mare Island redevelopment plan.

The city of Vallejo's financial situation did not help. Its decision to declare bankruptcy in May 2008 likely did not encourage potential businesses and investors. But observers also say that the city made itself more vulnerable to the downturn by relying on one developer.

"Lennar is fundamentally a home builder," said Marti Brown, a senior planner with the Sacramento Housing and Redevelopment Agency, who will begin her first term on the Vallejo City Council in December.

Brown believes the economic downturn presents an opportunity to rethink the development strategy for the former base.

"The city of Vallejo has a history of handing over the keys to housing developers; it might have made more sense to focus on light industry and manufacturing."

In addition to the new housing, Lennar has used existing industrial locations to add businesses. In recent months, a railcar repair company set up shop to repair Amtrak cars and the city Planning Commission approved a plan to begin using the base's old dry docks for ship breaking and ship repair.

Myrna Hayes, who serves as co-chair of a base advisory board and lives nearby, believes some of

the island's potential was lost by transferring such a big chunk of land to Lennar. She also said the project needed more of a cohesive identity.

"Instead of having a vision, the project has been driven by Lennar's bottom line," Hayes said.

The company says it does not intend to deviate from the initial plan, however, saying it was driven by the city's goals for housing, commercial and industrial development.

City Councilwoman Joanne Schively said the project should stay the course.

"The housing market will come back eventually, it always has before," said Schively.

Meanwhile, at the Hunters Point Shipyard in San Francisco, Lennar plans to embark on building its first homes next year.

That project also has been delayed by the economy. The bigger project, which would include the rest of the shipyard and Candlestick Point, is moving forward, but still must undergo a series of approvals from city departments and the Board of Supervisors.

Mare island

The island is 3.5 miles long and about 1.25 miles wide, covering more than 5,600 acres, much of which is wetlands. In the early 1920s, the shipyard began producing and maintaining submarines and, after World War II, became one of the Navy's main bases for building and maintaining the Pacific Fleet's subs.

E-mail Robert Selna at rselna@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/11/29/BU2Q1AMU4S.DTL

This article appeared on page D - 1 of the San Francisco Chronicle

SFGate.com

San Francisco's school of last resort

Jill Tucker, Chronicle Staff Writer

Sunday, November 29, 2009




With a convicted bank robber and a former methamphetamine user in charge, John Muir Charter School on Treasure Island is not your typical public school.

But the typical public school experience didn't work for the 105 students at John Muir.

Among them are former robbers and thieves. Some are teenage parents. All were academic failures elsewhere and, at one point or another, on the state's long list of high school dropouts.

Each one wants another chance.

This school gives them that as well as health care, bus passes, individual support, construction job training, and a capitalistic reason to show up: a paycheck.

John Muir offers its students a fast track to the elusive diploma and the option of vocational job training in various construction fields. Getting a paycheck with benefits gives them one more reason to go to class.

"We're taking the kids our school system can't handle," said Garry Grady, the former bank robber, as he sat in his musty administrator's office watching students head back to class to solve algebraic equations, complete a plant biology worksheet and finish a lesson on Adolf Hitler.

He summed up his students in five words: "These are the crack babies."

The students, who range in age from 16 to 24, get paid $50 per week for attending class; they get $7 per hour during the weeks they're learning to hammer nails, frame a room, or paint a wall, for example.

The Glide Foundation, with public grants and nonprofit donations, provides funding and support services.

Glide also pays Grady to run the program with his counterpart, the former methamphetamine user, Kyle Moneypenny, a previously homeless man turned credentialed teacher and now John Muir director of education.

A desire to learn

Every stereotype suggests the young people at the school have no future outside a jail or a graveyard, but Grady and Moneypenny know better.

They know that most of the students get up at 5 a.m. or earlier to catch public transit to arrive at the former Treasure Island elementary school campus by 7 a.m. They know that since the school opened four years ago, about 200 young adults are now high school graduates. The stipend they receive is a lure, but a diploma is the hook.

"I've got to get my education," said Lamont Mims, who that morning caught the 5:19 a.m. BART train out of Hayward, followed by a bus out of San Francisco to get to school well before his first class at 7 a.m.

He would get paid $10 that day for his attendance. That amounts to $1.50 per hour for his time on campus.

Outside the school, many of these classmates would be enemies - in some cases mortal enemies - compelled by the street code of neighborhood gangs to hate each other and hurt each other.

Treasure Island is neutral turf.

There they sit side by side calculating how much lumber it would take to frame a door.

"This is their last chance," Grady said. "They know it. They want to change their lives."

The school's roots

The San Francisco school and vocational training program opened in 2005.

It is part of a network of 43 school sites statewide that fall under the umbrella of John Muir Charter School, a network under the authority of the Nevada County Office of Education.

Each John Muir site is affiliated with a vocational or job skills organization, including the local or state Conservation Corps, the national YouthBuild job skills program or a local Job Corps.

The San Francisco campus offers both an academics-only program called Scholars and a YouthBuild vocational/academic program, both affiliated with the Glide Foundation. State education money pays the teacher salaries and basic academic costs while donations to Glide from the Irene S. Scully Family Foundation, the Alexander M. and June L. Maisin Foundation and corporate foundations, combined with city and federal money, pay for everything else.

The students get health care through Healthy San Francisco in addition to bus or BART passes, and

assistance from case managers who help with food stamps, housing or other needs throughout school and up to a year after graduation. Those in the vocational program also receive steel-toe work boots and brown construction coveralls.

So far, about 200 of the 500 current or former students have graduated.

Makia Johnson almost gave up.

A teenager in the Fillmore district, Johnson was expelled from San Francisco's Galileo Academy before dropping out of Ida B. Wells High School. After that she hung out with friends, "doing nothing and in a lot of trouble."

After a robbery landed her in jail for a month, she had two choices: spend more time in jail or enroll in the Treasure Island charter school.

"I love my freedom," she said in explaining her decision.

And so she got up before the sun to catch a bus to school.

That was in 2007. By May 2008, she was a high school graduate, Cal/OSHA-certified with training in hazardous waste, asbestos removal and lead.

Johnson, now 21, is a plasterer making $15.63 per hour.

"It changed my life," she said.

About 20 students currently are on the Scholars track, focused on getting a diploma and heading to college or a post-secondary vocational school. Another 60 students are in pre-YouthBuild classes to help them catch up academically so they can qualify for the school's vocational program.

The 24 YouthBuild students alternate between pursuing academics in the classroom and learning trade skills at a deserted former officers' quarters on Yerba Buena Island, on loan for free through the Treasure Island Development Authority.

Books and hammers

At the Yerba Buena site, general contractor Jeff McGallian and training coordinator Steve Michell are the no-nonsense instructors teaching everything from Hammering 101 to insulation, lighting and safety (tuck the thick neck chains in the shirt), along with daily life lessons.

While Moneypenny and Grady often empathize with their students' struggles and can joke about the bad taste of bologna sandwiches behind bars, bad choices at John Muir are met with swift and sometimes seemingly harsh consequences.

On a recent morning, Moneypenny spent a couple of hours processing the two-day suspension of a student.

The offense? At the Yerba Buena job site, the male student had pulled out his cell phone.

Suspended for a cell phone?

"If you're at a job site and a foreman is telling you something and you pull out a phone, he'll tell you to get out and never come back," Moneypenny said. "We needed to teach him some hard, fast lessons."

The students are already judged and labeled with negative stereotypes. Any mistake they make validates those impressions, the administrator said.

"We have to beg, borrow and steal to get these kids into jobs," Moneypenny said. "I guarantee that (suspended) kid is not pulling out a cell phone any time soon."

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This article appeared on page A - 1 of the San Francisco Chronicle

SFGate.com

More Iraq, Afghanistan veterans need more help

Kevin Fagan, Chronicle Staff Writer

Monday, November 30, 2009

Pentagon bean counters see an extra $40 billion in annual costs if President Obama sends 40,000 more troops to Afghanistan, but Michael Blecker sees mainly this:

More than 13,000 new cases of post-traumatic stress disorder. An additional 8,000 or so traumatic brain injuries. More suffering and need coming home in the form of wounded vets than the country can easily handle.

The wars in Afghanistan and Iraq have produced more diagnosed cases of PTSD and debilitating injuries per capita than any other war in the nation's history, health care experts say. And veterans who encounter homecoming trouble are becoming homeless more quickly than ever, street counselors say.

It's something most people don't consider when they think of sending more soldiers overseas, said Blecker, head of San Francisco's Swords to Plowshares veterans aid agency. But they should, he said - especially now, as Obama prepares to make a speech to the nation Tuesday.

In his address, the president will announce plans for Afghanistan that are almost sure to involve dispatching tens of thousands of new troops there in the cause of defeating al Qaeda and its terrorist allies.

More ptsd cases

"We have this theme in this country that we will support our troops, all work as a team, but there are so many cases when they are just released from service and left on their own," Blecker said. "We treat them as second-class citizens, but they are the ones who pay the price."

There are proportionately more vets than ever suffering from PTSD and disability upon coming home because military armor and rescue capabilities are better than ever, experts say. That means fewer soldiers die of serious wounds, and more survive with lost limbs, injured brains and the damaging memories of horror.

Estimates by organizations including Swords to Plowshares, Stanford University and the nonprofit research center Rand contend that about one-third of the 1.8 million men and women who have served in Iraq or Afghanistan have suffered from PTSD. About 17 percent have experienced brain

injuries ranging from mild to severe.

In comparison, the U.S. Department of Veterans Affairs reports that 11 percent of the 8.7 million veterans of the Vietnam War suffered from PTSD. Common estimates say the numbers were lower or about the same in previous conflicts.

Redeployments - about four for most military personnel now, compared with an average of one deployment in previous wars - exacerbate the problem by exposing soldiers to more danger.

Irony of better care

"The equipment is better and the medical care is better, so they're surviving injuries that soldiers in other conflicts would have never survived," said Judi Cheary, spokeswoman for the Veterans Affairs Medical Center in San Francisco. "And we've increased staff, created a bunch of new programs and are actively doing outreach for these young vets to come to us, but unfortunately most of them don't.

"We want them to know we're here and our doors are open."

A study last year by Rand showed that 70 percent of homecoming vets who need help don't seek it from the military or Veterans Affairs.

Boosting aid efforts

As part of that push to draw young vets in and treat them faster, Cheary said, the San Francisco VA center has added 35 mental health clinicians to the 100 already on staff. Nationally, the Veterans Affairs Department held a summit in Washington earlier this month at which organizations from around the country pledged to try to house the nation's homeless veterans - estimated to number 131,000 on any given night - within five years.

One reason young vets don't seek help is the tough-it-out stance of soldier culture, Blecker said. But most will find that acting tough won't put off the inevitable need for assistance - or the troubles.

"In the past, it took Vietnam vets about 10 years to become homeless after they were discharged," Blecker said. "The trend is about half that now, for these new vets."

The VA runs several programs for homeless and struggling vets, including a one-stop integrated-care clinic at its medical center in San Francisco. Swords to Plowshares runs the most comprehensive residential counseling program for homeless veterans in the Bay Area, currently on Treasure Island - helping more than a thousand vets gain independence since 1988.

But as quickly as the warriors are healed, more take their place, said Amy Fairweather, policy director for Swords to Plowshares.

"The costs to individuals and society are going up all the time, and these costs will be with us for decades," she said. "These are young men and women."

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This article appeared on page **C - 1** of the San Francisco Chronicle

"Trauma" Gets a Jolt of Life

New episodes ordered, despite cancellation

By JESSICA GREENE

Updated 12:10 PM PST, Fri, Nov 20, 2009

Tom Hilton

NBC said last month that they were pulling the plug on San Francisco-based medical drama "Trauma" because of poor ratings. But now the show has been given a jolt of life.

The actors, the fake blood and the emergency vehicles are being called out again, to shoot three more episodes.

Apparently, NBC needs to fill time. The network has 13 episodes in the can but if it shoots another three, that would allow it to run until the winter Olympics starts.

San Francisco leaders love what the show does for the local economy.

San Francisco Mayor Gavin Newsom announced at the beginning of March that NBC committed to locate the show's pilot production to the City, with its base of operations on Treasure Island.

LOOK

Hollywood Sets Based in San Francisco

"This production is a great opportunity to create several hundred jobs and stimulate the local economy with as much as $7 million in revenue," Newsom said. "It demonstrates that despite the economic downturn, San Francisco continues to stand out as a beautiful and welcoming city, and we are extremely pleased that NBC has chosen San Francisco as the location for its new show."

An estimated $3-4 million per episode is spent in the area in the form of payments of crew, permits, police overtime and catering, the site TV Series Finale says.

Now the City won't benefit from that revenue or the possibile cash that could have come from actors renting or buying in the area as production.

First Published: Nov 20, 2009 9:47 AM PST

Find this article at:
http://www.nbcbayarea.com/around-town/events/Trauma-Gets-a-Jolt-of-Life-70630977.html

☐ Check the box to include the list of links referenced in the article.

SFGate.com

Crossing phobias rise after Bay Bridge repairs

Sarah Adler, Special to The Chronicle
Monday, November 23, 2009

When 5,000 pounds of metal broke off the San Francisco-Oakland Bay Bridge last month, it rattled more than just the physical structure - it shook the nerves of even the most stalwart commuters like Michael Little, a 40-year-old technology consultant with Techsoncall.com who lives in the East Bay and easily averages up to 100 miles driving a day.

"I've been unnerved by all of this," said Little. "It's now not just the inconvenience factor and financial impact, but to learn that the issue is ongoing, there's no permanent fix, it's just not worth taking the risk."

When visiting clients in San Francisco, he now takes a longer route through Marin, which he finds less stressful. "Why be a guinea pig on those S curves? I can drive over the Golden Gate Bridge, enjoy the pleasant view and not worry about gridlock, semi trucks or safety."

Little said he doesn't know how long he'll keep avoiding the Bay Bridge, but it's likely to last at least until the next closure and repair. When he recently found himself heading toward the bridge as a matter of habit, he did a U-turn, he said.

Considering his reticence, it's easy to imagine how difficult a time this is for those suffering from gephyrophobia, a persistent fear of crossing bridges, a type of phobia associated with generalized anxiety disorder. Specific numbers are hard to come by, but about 10 percent of the population is likely to experience a clinically significant phobia (including situational phobias like gephyrophobia) over the course of their lives, according to the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders.

Richard Patel, a psychiatrist who works in private practice and in the psychiatric emergency room at San Francisco General Hospital, said he has seen an uptick in patients reporting all forms of anxiety related to the bridge incident (including claustrophobic BART riders). San Francisco psychologist Daniel Weiner is also getting more calls from people with bridge-related anxiety.

Despite repeated assertions from Caltrans authorities that the repairs are sound and the bridge is safe, some drivers still harbor fears about crossing. And this time around, experts say, it's harder to reassure them.

"Much of what we do in therapy is to challenge thoughts and beliefs around frightening outcomes,"

said Weiner, who works at the San Francisco Bay Area Center for Cognitive Therapy.

"Normally, bridge failure and collapse is infrequent and we don't have access to images of catastrophic events. But now we do," he said.

Weiner has treated over a dozen patients with extreme bridge fears with cognitive behavioral therapy (CBT), often accompanying them on drives. As homework, he often prescribes visual therapies, such as watching videos that have been posted on YouTube recording their journey over the Bay Bridge and other crossings - some of which are even accompanied by classical music.

"Without an intervention it will get worse and a person will then latch on to that object of their anxiety," said Patel, who added that he believes anxiety-related disorders are at an epidemic proportion and need to be more readily and effectively addressed.

After 12 years of avoiding both the Golden Gate Bridge and the Bay Bridge, Cesar Chirinon sought therapy for his bridge crossing fears two years ago at the age of 50.

"I was really closing doors in my life. I knew I had to do something. I couldn't even drive up to West Marin to watch soccer games with my friends," he said. "I would have to rely on other people to drive me. I began to lose my independence."

He recently walked across the Golden Gate Bridge for the first time since he arrived here from Lima, Peru, 30 years ago.

But it was a long journey to get to that point. As part of his specific therapy, Cesar drove with Weiner over the Bay Bridge, but he stopped at Treasure Island when he had a panic attack.

They resumed their crossing after discussing bridge safety data to counter his irrational fear. "I never used to be able to say the word 'bridge' without getting sweaty palms or feeling uneasy," he said. "But now I can. It's still not the most comfortable experience for me, and I can't say I like the new Bay Bridge - it looks too open and not protective (enough) - but I will deal with that too."

For those who still struggle with fears that keep them from driving across the span themselves, the Bay Area Toll Authority has a link on its 511.org web site to encourage casual carpooling. (In Maryland, the Transportation Authority recently began offering $25 vendor-provided drive-over services across the 4-mile William Preston Lane Jr. Memorial Bay Bridge over the Chesapeake for those who are not able or prefer not to drive.)

With all the news, recent accidents, questions of confidence in Caltrans, concerns about safety and unanswered questions, Weiner reminds us that it's OK to be a little nervous. "Talking about what is happening on the Bay Bridge is helpful because when you talk about your fears, exposure to them begins in this way. And a conversation is where healing can start."

E-mail us at datebookletters@sfchronicle.com.

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This article appeared on page E - 1 of the San Francisco Chronicle

AGENDA ITEM 7
Treasure Island Development Authority
City and County of San Francisco
Meeting of December 9, 2009

Subject: Resolution Authorizing and Approving Clipper Cove Anchorage Permit Policies and Procedures and Rules and Regulations (Action Item)

Contact: Mirian Saez, Director of Island Operations

Phone: 415-274-0660

BACKGROUND

Treasure Island's Clipper Cove, located between the southern shore of Treasure Island and the northern shore of Yerba Buena Island, is a semi-secluded section of San Francisco Bay that houses the Treasure Island Marina and Treasure Island Sailing Center. Due to its location and lack of prevailing current, Clipper Cove is also renowned as a popular still water anchorage location for Bay Area boaters. While Clipper Cove provides an excellent location for short term anchorages by recreational boaters in the area, it also has attracted long-term anchorages of both abandoned and stored vessels over the past several years. Though unproven, the Treasure Island Marina and Treasure Island Yacht Club have received reports that several vessels are or have been dumping waste and other materials overboard into Clipper Cove. The United States Navy considers the waters of Clipper Cove to be a part of former Naval Station Treasure Island covered under the Caretaker Cooperative Agreement between the Navy and the Treasure Island Development Authority (TIDA), and as a result the responsibility of TIDA.

Due to both safety concerns over unattended vessels anchored in the Cove for extended periods of time and environmental concerns over suspected release of waste into the Cove waters, the Director of Island Operations, Treasure Island Project Office staff and representatives from Treasure Island Marina met with the San Francisco Police Department and the Office of the City Attorney to discuss options for regulation and enforcement in Clipper Cove. It was determined that, unlike the waterfront of the City of San Francisco under the jurisdiction of the Port of San Francisco, Clipper Cove is not considered a working waterway. As such, vessels anchored in Clipper Cove do not pose a navigational hazard to San Francisco Bay vessel traffic, and neither the United States Coast Guard nor the SFPD Marine Unit currently enforces anchorage regulations in Clipper Cove in the same manner that they do along the San Francisco waterfront as part of their duties in conjunction with the Port of San Francisco.

Treasure Island Project Office staff determined that the best way to assure the sustained recreational use, safety and environmental health of Clipper Cove would be to ask the City's Board of Supervisors to amend the San Francisco Police Code to make Clipper Cove a Special-Use Area, as defined in the California Harbors and Navigation Code, with specific rules and regulations and a system for permitting short-term anchorages in Clipper Cove. This Special-

Use Area designation provides a vehicle for TIDA's regulation of anchorages in Clipper Cove consistent with TIDA's Caretaker Cooperative Agreement responsibilities.

At its March 11, 2009 meeting, the Authority Board of Directors approved a resolution urging the San Francisco Board of Supervisors to consider and approve an ordinance amending the San Francisco Police Code by adding a new Section 1.1 (the "Ordinance") that (i) designates the Cove as a Special-Use Area; (ii) provides that so long as TIDA has erected signage at the entrance of the Special-Use Area informing boaters of the permit requirement and the method for obtaining a permit, it is unlawful for any person to moor or anchor any vessel in Clipper Cove for more than 24 hours without a valid permit, or to moor or anchor in Clipper Cove for more than 24 hours after expiration or revocation of such permit; (iii) provides that violation of Section 1.1 is a misdemeanor; (iv) allows TIDA to remove and store any vessel moored, anchored or allowed to remain in Clipper Cove in violation of the Ordinance for more than 72 hours after notice is posted on the vessel in accordance with the Ordinance; (v) requires owner notification within 48 hours after removal of a vessel; and (vi) provides an opportunity for a post-removal hearing.

Supervisor Chris Daly introduced the Ordinance at the Board of Supervisors on May 5, 2009. The Ordinance was heard before the Land Use and Economic Development Committee on July 27, 2009, and was forwarded to the full Board of Supervisors for approval. The Board of Supervisors approved the Ordinance by a vote of 11-0 on its first reading at the August 4, 2009 meeting, and finally approved the Ordinance by a vote of 11 – 0 at the August 11, 2009 meeting. The Mayor signed the Ordinance on August 20, 2009. A copy of the Ordinance is attached as Exhibit A.

CLIPPER COVE ANCHORAGE PERMIT POLICIES AND PROCEDURES

The proposed Clipper Cove Anchorage Permit Policies and Procedures (the "Permit Procedures") are attached as Exhibit B. The Permit Procedures spell out the operational and logistical process for issuance of permits, including the process for requesting an extension of a permit based on mitigating circumstances, and the circumstances under which TIDA may revoke a permit.

For vessels anchoring in Clipper Cove 24 hours or less, no permit is required. For vessels desiring to anchor in Clipper Cove longer than 24 hours and up to 96 hours, the vessel owner or operator must provide TIDA with certain required information by telephone or through TIDA's website. A Short Term Anchorage Permit will be deemed to be issued for all vessels complying with this notification requirement unless TIDA informs the vessel owner or operator that a Short Term Anchorage Permit will not be issued due to non-compliance with the notification requirement or a violation of the Rules and Regulations. Vessels will be issued up to two Short Term Anchorage Permits in any 21 day period. If a vessel notifies TIDA of a third anchorage of between 24 and 96 hours in the same 21 day period, the vessel owner or vessel operator shall instead be required to adhere to the permit requirements imposed on vessels anchoring for more than 96 hours.

For vessels desiring to anchor in Clipper Cove for more than 96 hours, the owner or operator must complete an Anchorage Application and obtain a Long Term Anchorage Permit from

TIDA. The Long Term Anchorage Permit will allow the vessel to anchor in the Cove for up to 21 days from the date of the approved Anchorage Application. The Long Term Anchorage Permit will be issued at NO CHARGE to the vessel owner. Once issued a Long Term Anchorage Permit, a vessel will be allowed to anchor in Clipper Cove for up to 21 calendar days from the date of the Anchorage Application, subject to compliance with all Rules and Regulations. Vessels may be issued up to four Long Term Anchorage Permits in any calendar year.

CLIPPER COVE RULES AND REGULATIONS

The proposed Clipper Cove Rules and Regulations ("Rules and Regulations") are attached as Exhibit C. The Rules and Regulations cover the requirements vessels must comply with in order to moor or anchor in Clipper Cove. The Rules and Regulations are intended to protect public health and safety, to preserve recreational use of the Cove, and to include requirements pertaining to the condition of the vessel, its on-board systems and the anchorage and movement of vessels within Clipper Cove. Specific Rules and Regulations regarding on-board sanitary systems and on-board propulsion devices are meant to assure that all vessels entering Clipper Cove are equipped with appropriate infrastructure to contain waste and sewage, and to assure that all vessels entering Clipper Cove have the ability to leave the Cove under their own power. If a vessel is not in compliance with the Rules and Regulations, TIDA can refuse to issue a Short Term Anchorage Permit or Long Term Anchorage Permit, or revoke an existing Short Term Anchorage Permit or Long Term Anchorage Permit. If the vessel remains in the Cove for more than 24 hours without a valid permit or for more than 24 hours after the expiration or revocation of a permit, the vessel is in violation of the San Francisco Police Code and TIDA can remove and store the vessel and/or the SFPD Marine Unit can issue a citation. It is important to note that all vessels, vessel owners, vessel operators and vessel occupants are expected to adhere to all Clipper Cove Rules and Regulations at all times during their stay in Clipper Cove, regardless of the length of stay or whether the vessel has been issued a Short Term Anchorage Permit or a Long Term Anchorage Permit.

The Rules and Regulations also include provisions relating to use of Clipper Cove Beach, which mirror the existing rules and regulations for public access to Clipper Cove Beach, including the publicly posted hours of public access. These are included as it is expected that recreational boaters will continue to make use of Clipper Cove Beach during their anchorage periods in Clipper Cove.

PUBLIC INPUT

In order to provide notice to and obtain input from all stakeholders interested in or affected by the Ordinance, drafts of the Clipper Cove Permit Procedures and Rules and Regulations have been circulated for review and comment over the past several months to the San Francisco Police Department, Treasure Isle Marina, Treasure Island Yacht Club, and Latitude 38 Magazine, the Bay Area's preeminent recreational boating periodical. The option for Public Comment was also available at the afore-mentioned TIDA Board of Directors and San Francisco Board of Supervisors meetings. Many comments and suggestions have been received and incorporated into the proposed Permit Procedures and Rules and Regulations.

NEXT STEPS

If the Authority Board approves the Clipper Cove Permit Procedures and Rules and Regulations, Treasure Island Project Office staff will install the required signage at the mouth of Clipper Cove stating that Clipper Cove is a Special-Use Area and notifying vessels of the Permit Procedures and TIDA's right to remove and store vessels anchored in violation of the Ordinance. The approved Permit Procedures and Rules and Regulations will also be posted at the Treasure Isle Marina, the Treasure Island Yacht Club, the Treasure Island Sailing Center, on the TIDA website, and also noticed to Latitude 38 Magazine. With signage in place and the Permit Procedures and Rules and Regulations formally approved by the Authority Board, TIDA and the San Francisco Police Department Marine Unit will be able to begin enforcing the Ordinance.

RECOMMENDATION

Treasure Island Project Office staff recommends that the Authority Board approve the Clipper Cove Permit Procedures and Rules and Regulations in substantially the forms attached as Exhibits B and C.

EXHIBIT A Ordinance No. 193-09 amending San Francisco Police Code to add Section 1.1
EXHIBIT B Clipper Cove Anchorage Permit Policies and Procedures
EXHIBIT C Clipper Cove Rules and Regulations

Prepared by: Peter Summerville, Leasing Manager
For: Mirian Saez, Director of Island Operations

[Clipper Cove Permit Procedures and Rules and Regulations.]

Resolution approving and adopting Clipper Cove Anchorage Permit Policies and Procedures and Rules and Regulations.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

*

WHEREAS, Due to both safety concerns over unattended vessels anchored in Clipper Cove for extended periods of time and environmental concerns over potential release of waste into Clipper Cove waters, at its March 11, 2009 meeting the Authority passed Resolution 09-17-03/11 urging the San Francisco Board of Supervisors to consider and approve an ordinance amending the San Francisco Police Code by adding a new Section 1.1 (the "Ordinance") that (i) designates the Cove as a Special-Use Area; (ii) provides that so long as the Authority has erected signage at the entrance of the Special-Use Area informing boaters of the permit requirement and the method for obtaining a permit, it is unlawful for any person to moor or anchor any vessel in Clipper Cove for more than 24 hours without a valid permit, or to moor or anchor in Clipper Cove for more than 24 hours after expiration or revocation of such permit; (iii) provides that violation of Section 1.1 is a misdemeanor; (iv) allows the Authority to remove and store any vessel moored, anchored or allowed to remain in Clipper Cove in violation of the Ordinance for more than 72 hours after notice is posted on the vessel in accordance with the Ordinance; (v) requires owner notification within 48 hours after removal of a vessel; and (vi) provides an opportunity for a post-removal hearing; and,

WHEREAS, The Ordinance was heard before the Land Use and Economic Development Committee on July 27, 2009, and was forwarded to the full Board of Supervisors for approval; and,

WHEREAS, The Board of Supervisors approved the Ordinance by a vote of 11-0 on its first reading at the August 4, 2009 meeting, and finally approved the Ordinance by a vote of 11 – 0 at the August 11, 2009 meeting, and the Mayor signed the Ordinance on August 20, 2009; and,

WHEREAS, The Ordinance contemplates that the Authority will adopt permit policies and procedures for the issuance of temporary anchorage permits and rules and regulations governing anchorages in Clipper Cove; and,

*

WHEREAS, The Authority's Project Office staff has drafted proposed Clipper Cove Anchorage Permit Policies and Procedures (the "Permit Procedures") and Clipper Cove Rules and Regulations (the "Rules and Regulations"); and,

WHEREAS, In order to provide notice to and obtain input from all stakeholders interested in or affected by the Ordinance, drafts of the Permit Procedures and Rules and Regulations have been circulated for review and comment over the past several months to the San Francisco Police Department, Treasure Isle Marina, Treasure Island Yacht Club, and Latitude 38 Magazine, and many comments and suggestions have been received and incorporated into the Permit Procedures and Rules and Regulations; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby approves and adopts the Clipper Cove Permit Procedures and Rules and Regulations in substantially the forms attached as Exhibit A and Exhibit B; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to post the necessary signage and take all other actions necessary or appropriate to implement the Ordinance; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Permit Procedures and the Rules and Regulations that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and implementation of the Permit Procedures, the Rules and Regulations and the Ordinance.

CERTIFICATE OF SECRETARY

*

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 9, 2009.

_____

Helen Nigg, Secretary

*

EXHIBIT. A

FILE NO. 090555 ORDINANCE NO. 193-09

[It is unlawful to moor or anchor a vessel in Clipper Cove, a Special Use Area, for more than 24 hours without a valid permit issued under the auspices of the Treasure Island Development Authority.]

Ordinance amending the San Francisco Police Code by adding Section 1.1 designating Clipper Cove as a Special-use Area, making it a misdemeanor to moor or anchor a vessel in Clipper Cove without a valid permit issued by the Treasure Island Development Authority ("TIDA"), or its designee, and allowing TIDA to remove and store vessels moored in violation of this Ordinance.

NOTE: Additions are *single-underline italics Times New Roman*; deletions are ~~*strike-through italics Times New Roman*~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Purpose

The purpose of this ordinance is to eliminate adverse health and environmental impacts to the waters and diverse flora and fauna of the San Francisco Bay, particularly in the area surrounding Clipper Cove, promote the recreational use of Clipper Cove, reduce existing and potential conflicts among recreational users of Clipper Cove, and protect overall public safety of users of the Cove and residents of and visitors to Treasure and Yerba Buena Islands.

Section 2. Findings

Treasure Island's Clipper Cove is a semi-secluded section of San Francisco Bay that houses the Treasure Island Marina and Treasure Island Sailing Center. Due to its location and lack of prevailing current, Clipper Cove is renowned as a popular still water anchorage location for Bay Area boaters.

While Clipper Cove provides an excellent location for short-term anchorages by recreational boaters, it also has attracted long-term anchorages of both abandoned and stored vessels over the past several years. As of January 30, 2009, there were 15 vessels anchored in Clipper Cove, many of which had been in the Cove, apparently unattended, for periods between several months and over a year. The operators of the Treasure Island Marina and Treasure Island Yacht Club have received several reports that some of these vessels are being used as residences, and that their occupants are dumping waste and other materials overboard into Clipper Cove. The Treasure Island Development Authority ("TIDA") has expended almost $30,000 in the previous two years on the removal of derelict and abandoned vessels that have sunk or washed up on the Treasure Island seawall after being anchored and abandoned in Clipper Cove. In a recent incident, one of these boats came loose from its mooring during a storm, washed up close to the shore, tipped over, and began spilling fuel into the Bay.

TIDA leases the former Naval Station Treasure Island from the United States Navy, and operates the property under an agreement (the "Cooperative Agreement") between the Navy and TIDA. Clipper Cove is part of the former Naval Station, and is the responsibility of TIDA under the Cooperative Agreement.

In order to ensure that Clipper Cove remains available for use by recreational boaters, the Board of Directors of the Treasure Island Development Authority wants to ensure that the Cove is not cluttered with abandoned vessels, vessels being used as housing, or vessels being used for other, nonrecreational uses. The TIDA Board is also concerned about the threat to the environment and the public health posed by unattended vessels anchored in the Cove for extended periods of time, and the possibility that individuals living aboard such vessels are releasing waste or other harmful substances into the Bay.

To address these issues, the TIDA Board wishes to designate the Cove as a Special-use Area and limit mooring in the Cove to short-term anchorage for recreational purposes. Short-term anchorage in prescribed sections of the Cove will be allowed with express permission of TIDA, or its

designee. In connection with the establishment of the Special-use Area, the TIDA Board will develop a procedure for issuing anchorage permits to recreational boaters subject to specific conditions, including a maximum length of stay and compliance with Rules adopted by the TIDA Board to protect the public health and safety, and preserve recreational use of the Cove. Permits will be readily available to members of the public, at a nominal fee.

The permit procedure will allow TIDA to oversee recreational use of the Cove by requiring a boater, upon request, to verify that the condition of his or her vessel does not pose an environmental hazard or risk of injury to persons or property, which may include demonstrating that the vessel is not at risk for capsizing or sinking, and carries an on-board waste containment system. Also, the permit system will ensure that all members of the public have equal opportunity to access Clipper Cove for recreational purposes, avoiding potential conflict among those who wish to use the Cove. The TIDA Board does not want to create an onerous process for recreational boaters or boaters in transit wishing to enjoy the Cove on a short-term basis. But the TIDA Board believes that a permit requirement and the promulgation of Rules will allow TIDA to protect the waters of Clipper Cove and facilitate the public's recreational use of the Cove.

Section 3. The San Francisco Police Code is hereby amended by adding Section 1.1, to read as follows:

Sec. 1.1 MOORING IN CLIPPER COVE

(a) In order to promote the recreational use of Clipper Cove, reduce existing and potential conflicts among recreational users of Clipper Cove, protect the overall public health and safety of users of the Cove, and to eliminate adverse environmental impacts to the San Francisco Bay, Clipper Cove is hereby designated a Special-use Area as that term is defined in California's Harbor and Navigation Code. Provided that the Treasure Island Development Authority ("TIDA") has erected signage at the entrance to the Special-use Area informing boaters of the permit requirement and the method for obtaining a permit, it shall be unlawful for any person to moor or anchor any vessel in

Clipper Cove for more than 24 hours without a valid permit issued by TIDA, or its designee, and it shall be unlawful for any person to moor or anchor any vessel in Clipper Cove for more than 24 hours after expiration or revocation of such permit.

(b) For the purposes of Section 1.1 of this Code, Clipper Cove is defined as that section of San Francisco Bay bounded by the south shore of Treasure Island, the north shore of Yerba Buena Island, and the connecting causeway, west of a line extending from the southeast corner of the finger pier known as "Pier 1" along the east side of Treasure Island, at about latitude 37 [degrees] 49'11", longitude 122 [degrees] 21'40", approximately 153 [degrees] 20' to the northeasterly point of Yerba Buena Island, at about latitude 37 [degrees] 48'55", longitude 122 [degrees] 21'30".

(c) A violation of the provisions of Section 1.1 shall be a misdemeanor. A person found guilty of such violation shall be punished by imprisonment in the county jail not exceeding six months, or by fine not exceeding one thousand dollars ($1000.00), or both.

(d) Provided that TIDA has erected signage at the entrance to Clipper Cove informing boaters that vessels moored in violation of this ordinance are subject to removal, TIDA, or its designee, may remove and store any vessel moored, anchored or allowed to remain in Clipper Cove in violation of this ordinance 72 hours after notice posted in accordance with subsection (e) of this Section. The registered owner of any vessel removed and stored under this ordinance shall be responsible for reimbursing TIDA, or its designee, for the cost of such removal and storage.

(e) Not less than 72 hours prior to removing a vessel moored or anchored in violation of this Section, TIDA, or its designee, shall securely attach to the vessel a distinctive notice stating that the vessel will be removed for violation of this Section.

(f) Within 48 hours after the removal of a vessel pursuant to this Section, excluding weekends and holidays, TIDA, or its designee, must send notice of removal of the vessel to the registered, documented and legal owners, if known or discovered before or after the removal, at their addresses of record with the Department of Motor Vehicles, the National Vessel Documentation Center, and to any

other person that TIDA, or its designee, knows has an interest in the vessel, by certified or first-class mail. The notice of removal shall include the following:

(1) TIDA's name, address, and telephone number, and, if applicable, the name, address and telephone number of TIDA's designee;

(2) A description of the vessel;

(3) The location from which the vessel was removed;

(4) The location of the intended or actual place of storage;

(5) The authority and purpose for removal of the vessel;

(6) A statement that the vessel may be claimed and recovered within 15 days of the date the notice of removal is issued upon payment of any costs incurred by TIDA, or its designee, related to salvage and storage of the vessel;

(7) A statement that the registered or legal owners or any other person known to have an interest in the property shall have the opportunity for a post-removal hearing before TIDA, or its designee, to determine the validity of the removal and storage if a request for a hearing is made to TIDA, or its designee, in person, by telephone, by email or by regular mail within 10 days from the date of notice; and that if the registered or legal owner or any other person known to have an interest in the property disagrees with the decision of TIDA, or its designee, after the hearing, he or she may seek review of the decision of TIDA, or its designee, pursuant to Section 11523 of the Government Code.

(f) TIDA , or its designee, shall conduct any requested hearing within 48 hours of the time it receives the request, excluding weekends and holidays. TIDA may authorize its own officers or employees to conduct the hearing, but the hearing officer shall not be the same person who directed the removal and storage of the vessel. The failure of either the registered or legal owners or any other person known to have an interest in the property to request or attend a scheduled hearing shall not affect the validity of the hearing.

(g) TIDA shall be responsible for the costs incurred for removal and storage if it is determined in the post-storage hearing that reasonable grounds for the storage are not established.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Mariam M. Morley
Deputy City Attorney

City and County of San Francisco

Tails

Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 090555 Date Passed:

Ordinance amending the San Francisco Police Code by adding Section 1.1 designating Clipper Cove as a Special Use Area, making it a misdemeanor to moor or anchor a vessel in Clipper Cove without a valid permit issued by the Treasure Island Development Authority ("TIDA"), or its designee, and allowing TIDA to remove and store vessels moored in violation of this Ordinance.

August 4, 2009 Board of Supervisors — PASSED ON FIRST READING

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

August 11, 2009 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

File No. 090555

I hereby certify that the foregoing Ordinance was FINALLY PASSED on August 11, 2009 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

8/20/2009
Date Approved

Mayor Gavin Newsom

EXHIBIT. B

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

Clipper Cove Anchorage Permit Policies and Procedures

1.) Objective:
In order to address the threat to public safety posed by unattended vessels anchored in Clipper Cove for extended periods of time and to preserve the Clipper Cove ecosystem from potential harmful release of waste and toxics, the San Francisco Police Code was amended to add a new Section 1.1 that designates Clipper Cove as a Special-Use Area, as defined in the California Harbors and Navigation Code. Police Code Section 1.1 also makes it unlawful for any person to moor or anchor any vessel in Clipper Cove for more than 24 hours without a valid Anchorage Permit, or to moor or anchor in Clipper Cove for more than 24 hours after expiration or revocation of such Anchorage Permit. A violation of Police Code Section 1.1 is a misdemeanor. Any vessel remaining moored or anchored in Clipper Cove in violation of Police Code Section 1.1 for more than 72 hours after a Notice of Violation is posted on the vessel will be removed by the Treasure Island Development Authority ("TIDA"), or its designee, and the registered owner of the vessel will be responsible for the cost of such removal and storage. A copy of Police Code Section 1.1 is attached as **ATTACHMENT A**.

Police Code Section 1.1 contemplates that TIDA will adopt permit procedures for the issuance of temporary Anchorage Permits and rules and regulations governing anchorages in Clipper Cove. In consideration of the recreational boating community, TIDA intends to regulate the anchorage of vessels in an unobtrusive manner that does not place an undue burden on recreational boaters, while assuring the satisfaction of the stated objectives.

TIDA has adopted these Clipper Cove Anchorage Permit Policies and Procedures (the "Permit Procedures") to govern the process for the issuance of Short Term Anchorage Permits and Long Term Anchorage Permits (collectively, "Anchorage Permits") to anchor in Clipper Cove. The Director of Island Operations may amend the Permit Procedures or Rules and Regulations in order to facilitate the overall objectives of the Permit Procedures and Clipper Cove Rules and Regulations as deemed necessary to comply with the intent of the Ordinance.

2.) Clipper Cove Rules and Regulations:
All vessels, vessel owners, vessel operators and vessel occupants are subject to all Clipper Cove Rules and Regulations (**ATTACHMENT B**) ("Rules and Regulations") at all times during their stay in Clipper Cove.

Failure to comply with all Rules and Regulations shall be grounds for TIDA's refusal to issue an Anchorage Permit or revocation of an existing Anchorage Permit.

3.) Procedure for Issuance of Clipper Cove Anchorage Permits:

A.) For Vessels anchoring in Clipper Cove for a period not to exceed 24 hours:

No Anchorage Permit is required.

B.) For Vessels anchoring in Clipper Cove for a period of greater than 24 hours and up to 96 hours:

All vessel owners or vessel operators wishing to anchor a vessel in Clipper Cove for a period of longer than 24 hours and up to 96 hours must notify TIDA of the presence of the vessel in Clipper Cove and provide the vessel name, vessel CF number, contact information, the date and time of initial entry to Clipper Cove and anticipated date and time of exit from Clipper Cove. The required notification may be provided in one of the following ways:

1.) – Voicemail message left at 415-274-0382
2.) – Registered on the TIDA website at www.sftreasureisland.org

This notification may be provided to TIDA in advance of anchorage in Clipper Cove. At the latest, this information must be provided immediately upon entry of the vessel into the Cove. No further action is required for stays in Clipper Cove of 96 hours or less. A Short Term Anchorage Permit will be deemed to be issued for all vessels complying with this notification requirement, unless TIDA informs the vessel owner or vessel operator that a Short Term Anchorage Permit will not be issued due to non-compliance with the notification requirement or a violation of the Rules and Regulations.

Vessels shall be issued up to two 96-Hour Anchorage Permits in any 21 day period. If a vessel notifies TIDA of a third anchorage of between 24 and 96 hours in the same 21 day period, the vessel owner or vessel operator shall instead be required to adhere to the permit requirements imposed on vessels anchoring for more than 96 hours.

C.) For Vessels anchoring in Clipper Cove for more than 96 hours:

If a Vessel is going to anchor in Clipper Cove for a period of more than 96 hours, the vessel owner or vessel operator must complete a **Clipper Cove Anchorage Application** ("Anchorage Application") (**ATTACHMENT C**), available at the TIDA office, One Avenue of Palms, Second Floor, Treasure Island, or on the TIDA website (http://www.sftreasureisland.org). Upon receipt of this completed Anchorage Application, TIDA will review the information and issue the vessel a **Clipper Cove Anchorage Permit (ATTACHMENT D)** ("Long Term Anchorage Permit") so long as the Anchorage Application is properly completed and the vessel is in compliance with the Rules and Regulations.

The Long Term Anchorage Permit will be issued at **NO CHARGE** to the vessel owner. Once issued a Long Term Anchorage Permit, a vessel will be allowed to anchor in Clipper Cove for up to 21 calendar days from the date of the Anchorage Application, subject to compliance with all Rules and Regulations. Vessels may be issued up to four Long Term Anchorage Permits in any calendar year.

The Long Term Anchorage Permit must be kept on-board the vessel at all times during the anchorage period. The vessel is required to vacate Clipper Cove on or before the expiration date stated on the Long Term Anchorage Permit. Permittees shall not be allowed to anchor after expiration of the Anchorage Permit, and doing so may result in a citation by the SFPD Marine Unit or further action including, but not limited to, towing and removal of the vessel by TIDA.

D.) Extension of Long Term Anchorage Permit Term:

Long Term Anchorage Permit extensions may be granted for up to an additional 7 days at the discretion of the Director of Island Operations due to either:

(1.) An immediate, verifiable threat to life safety or property posed by movement of the vessel.
(2) Weather conditions rendering travel unsafe or other safety issues.

If an extension is not granted, the vessel must vacate Clipper Cove on or before the original expiration date stated on the Long Term Anchorage Permit.

E.) Anchorage Permit and Anchorage Permit Issuance Limitations:

(1.) TIDA reserves the right to refuse issuance of an Anchorage Permit to any vessel in violation of the Rules and Regulations **and any vessel in receipt of a Notice of Violation.**

(2.) TIDA reserves the right to revoke an Anchorage Permit for any of the following grounds:

- A violation of the Rules and Regulations
- The vessel poses a danger to life safety or property
- The San Francisco Police Department or other applicable law enforcement agency has cited the vessel owner, vessel operator or vessel occupants for violation of any statute
- The provision of false information on the Clipper Cove Anchorage Application
- **The presence of the vessel is impeding critical operations based in Clipper Cove including but not limited to Navy remediation activities, Special Events taking place in Clipper Cove, Bay Bridge**

construction activities, and emergency response and recovery activities.

(3.) TIDA reserves the right to suspend issuance of Anchorage Permits for any length of time it deems necessary to further on-Island operations **including but not limited to Navy remediation activities, Special Events taking place in Clipper Cove, Bay Bridge construction activities, and emergency response and recovery activities.**

(4.) No person will be issued an Anchorage Permit for more than one vessel at any given time.

(5.) Vessels may be issued up to two 96 Hour Anchorage Permits in any 21 day period. If a vessel notifies TIDA of a third 96 Hour Anchorage in the same 21 day period, the vessel owner or vessel operator shall instead be required to complete an Anchorage Permit Application for a Long Term Anchorage Permit.

(6.) Vessels may be issued no more than four Long Term Anchorage Permits in any calendar year.

4.) Notices of Violation:
Vessels will be in violation of Police Code Section 1.1 and will be affixed with a distinctive, visible **Notice of Violation (ATTACHMENT E)** if they are moored or anchored in Clipper Cove for more than 24 hours without a valid Anchorage Permit, or moored or anchored in Clipper Cove for more than 24 hours after expiration or revocation of an Anchorage Permit

Vessels affixed with a Notice of Violation shall have 72 hours to vacate Clipper Cove. A vessel that has not vacated Clipper Cove within 72 hours of the Notice of Violation will be removed by TIDA or its designee, and the registered owner of the vessel will be responsible for the cost of such removal and storage. In addition, the SFPD Marine Unit may issue a citation.

5. Notice of Removal:
Within 48 hours after TIDA or its designee removes a vessel that is in violation Police Code Section 1.1, excluding weekends and holidays, TIDA shall mail a **Notice of Removal (ATTACHMENT F)** to the registered vessel owner.

TIDA shall send this Notice of Removal of the vessel, via certified or first class mail, and shall also send the Notice or Removal to any other person that TIDA knows has an interest in the vessel. This Notice of Removal shall include the following information:

A.) TIDA's name, address and telephone number, and the name, address and telephone number of any applicable designee of TIDA

B.) A description of the vessel

C.) The location from which the vessel was removed

D.) The location of the intended or actual place of storage

E.) The authority and purpose for removal of the vessel

F.) A statement that the vessel may be claimed and recovered within 15 days of the date the Notice of Removal is issued upon payment of any costs incurred by TIDA, or its designee, related to salvage and storage of the vessel.

G.) A statement that the registered or legal owners or any other person known to have an interest in the vessel shall have the opportunity for a **Post-Removal Hearing** ("Hearing") before TIDA, or its designee, to determine the validity of the removal and storage if a request for a Hearing is made to TIDA in person, by telephone, by email, or by regular mail within 10 days from the date of Notice of Removal; and that if the registered or legal owner or any other person known to have an interest in the vessel disagrees with the decision of TIDA, or its designee after the Hearing, he or she may seek review of the decision of TIDA pursuant to Section 11523 of the Government Code **(ATTACHMENT G).**

The registered or legal owner of any vessel removed or stored under this process shall be responsible for reimbursing TIDA for the cost of such removal or storage. TIDA shall schedule any requested Hearing to determine the validity of the removal and storage within 48 hours of the time it receives such request, excluding weekends and holidays. TIDA may authorize its own officers or employees to conduct the Hearing, but the Hearing Officer shall not be the same person who directed removal and storage of the vessel. The failure of either the registered or legal owner or any other person known to have an interest in the property to request or attend a scheduled Hearing shall not affect the validity of the Hearing.

6.) Disposal of Unclaimed Vessels:

Once the Notice of Removal has been appropriately transmitted and either the time period to request a Post-Removal Hearing has expired without TIDA receiving a request for Hearing, or if a request for Hearing was received, the Hearing was held and a determination was made in TIDA's favor, TIDA shall contract with a marine lien sales company, and this company shall facilitate the lien sale of the unclaimed vessel from its current storage location. The current company facilitating lien sales for TIDA is:

Marine Lien Sale Service
P.O. Box 766
Antioch, CA 94509
925-757-2628 – phone

Following the lien sale of the vessel, the marine lien sale agent shall provide a final 10 day notice to the registered or legal owner of the vessel, and any additional known interested parties, of the execution of a lien sale. After this 10 day period, if the vessel was not bought

at lien sale or claimed, TIDA shall dispose of the vessel via contract with a marine salvage and disposal company. The current company performing marine salvage for TIDA is:

Sean Alexander Marine Services
4480 Discovery Point
Discovery Bay, CA 94514
925-634-8744 – phone

ATTACHMENT A:	San Francisco Police Code Section 1.1
ATTACHMENT B:	Clipper Cove Rules and Regulations
ATTACHMENT C:	Clipper Cove Anchorage Registration Form
ATTACHMENT D:	Clipper Cove Anchorage Permit
ATTACHMENT E:	Clipper Cove Notice of Violation
ATTACHMENT F:	Clipper Cove Notice of Removal Letter
ATTACHMENT G:	Government Code Section 11523

Print

SEC. 1.1 - MOORING IN CLIPPER COVE

(a) In order to promote the recreational use of Clipper Cove, reduce existing and potential conflicts among recreational users of Clipper Cove, protect the overall public health and safety of users of the Cove, and to eliminate adverse environmental impacts to the San Francisco Bay, Clipper Cove is hereby designated a Special-use Area as that term is defined in California's Harbor and Navigation Code. Provided that the Treasure Island Development Authority ("TIDA") has erected signage at the entrance to the Special-use Area informing boaters of the permit requirement and the method for obtaining a permit, it shall be unlawful for any person to moor or anchor any vessel in Clipper Cove for more than 24 hours without a valid permit issued by TIDA, or its designee, and it shall be unlawful for any person to moor or anchor any vessel in Clipper Cove for more than 24 hours after expiration or revocation of such permit.
(b) For the purposes of Section 1.1 of this Code, Clipper Cove is defined as that section of San Francisco Bay bounded by the south shore of Treasure Island, the north shore of Yerba Buena Island, and the connecting causeway, west of a line extending from the southeast corner of the finger pier known as "Pier 1" along the east side of Treasure Island, at about latitude 37 [degrees] 49′11″, longitude 122 [degrees] 21′40″, approximately 153 [degrees] 20′ to the northeasterly point of Yerba Buena Island, at about latitude 37 [degrees] 48′55″, longitude 122 [degrees] 21′30″.
(c) A violation of the provisions of Section 1.1 shall be a misdemeanor. A person found guilty of such violation shall be punished by imprisonment in the county jail not exceeding six months, or by fine not exceeding one thousand dollars ($1,000.00), or both.
(d) Provided that TIDA has erected signage at the entrance to Clipper Cove informing boaters that vessels moored in violation of this ordinance are subject to removal, TIDA, or its designee, may remove and store any vessel moored, anchored or allowed to remain in Clipper Cove in violation of this ordinance 72 hours after notice posted in accordance with subsection (e) of this Section. The registered owner of any vessel removed and stored under this ordinance shall be responsible for reimbursing TIDA, or its designee, for the cost of such removal and storage.
(e) Not less than 72 hours prior to removing a vessel moored or anchored in violation of this Section, TIDA, or its designee, shall securely attach to the vessel a distinctive notice stating that the vessel will be removed for violation of this Section.
(f) Within 48 hours after the removal of a vessel pursuant to this Section, excluding weekends and holidays, TIDA, or its designee, must send notice of removal of the vessel to the registered, documented and legal owners, if known or discovered before or after the removal, at their addresses of record with the Department of Motor Vehicles, the National Vessel Documentation Center, and to any other person that TIDA, or its designee, knows has an interest in the vessel, by certified or first-class mail. The notice of removal shall include the following:
(1) TIDA's name, address, and telephone number, and, if applicable, the name, address and telephone number of TIDA's designee;
(2) A description of the vessel;
(3) The location from which the vessel was removed;
(4) The location of the intended or actual place of storage;
(5) The authority and purpose for removal of the vessel;
(6) A statement that the vessel may be claimed and recovered within 15 days of the date the notice of removal is issued upon payment of any costs incurred by TIDA, or its designee, related to salvage and storage of the vessel;
(7) A statement that the registered or legal owners or any other person known to have an interest in the property shall have the opportunity for a post-removal hearing before TIDA, or its designee, to determine the validity of the removal and storage if a request for a hearing is made to TIDA, or its

designee, in person, by telephone, by email or by regular mail within 10 days from the date of notice; and that if the registered or legal owner or any other person known to have an interest in the property disagrees with the decision of TIDA, or its designee, after the hearing, he or she may seek review of the decision of TIDA, or its designee, pursuant to Section 11523 of the Government Code.

(f) TIDA, or its designee, shall conduct any requested hearing within 48 hours of the time it receives the request, excluding weekends and holidays. TIDA may authorize its own officers or employees to conduct the hearing, but the hearing officer shall not be the same person who directed the removal and storage of the vessel. The failure of either the registered or legal owners or any other person known to have an interest in the property to request or attend a scheduled hearing shall not affect the validity of the hearing.

(g) TIDA shall be responsible for the costs incurred for removal and storage if it is determined in the post-storage hearing that reasonable grounds for the storage are not established.

(Added by Ord. 193-09, File No. 090555, App. 8/20/2009)

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS, 2ND FLOOR
TREASURE ISLAND
SAN FRANCISCO, CA 94130
415-274-0660 – PHONE 415-274-0299 - FAX

Clipper Cove Anchorage Permit Application Form

Date: _____

Name of Vessel: _____

CF Number of Vessel: _____

Vessel Owner and/or Operator: _____

Address of Vessel Owner: _____

Date of Departure: _____

Vessel Contact Phone Number: _____

Signature: _____

Pursuant to San Francisco Police Code Section 1.1, Clipper Cove is a Special-Use Area. It is unlawful to moor or anchor any vessel in Clipper Cove for more than 24 hours without a valid Anchorage Permit issued by the Treasure Island Development Authority (TIDA), and it is unlawful for any person to moor or anchor any vessel in Clipper Cove for more than 24 hours after revocation or expiration of such Anchorage Permit. Violation of Police Code Section 1.1 is a misdemeanor and vessels moored or anchored in violation of Section 1.1 are subject to removal.

The Clipper Cove Rules and Regulations govern the use, mooring, anchoring and occupancy of vessels in Clipper Cove. By completing and signing this form, the vessel owner and/or vessel operator agrees that the applicant, all vessel occupants, and the vessel itself shall comply with the Clipper Cove Rules and Regulations at all times during anchorage in Clipper Cove. Violation of any Clipper Cove Rules and Regulations shall be grounds for revocation of a Anchorage Permit. The vessel owner and/or vessel

operator further agrees that (1) the Treasure Island Development Authority, the United States Navy, the City and County of San Francisco, and any of their respective officers, directors, agents or employees (collectively, the "Treasure Island Parties"), shall not be responsible or liable to such vessel owner or operator or any vessel passengers for any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits or other proceedings, including, but not limited to, incidental or consequential damages and attorneys fees, relating to any injury, accident or death of any person, or loss or damage to property of any kind (collectively, "Losses"), arising out of or in any way relating to the vessel anchoring in or using Clipper Cove, and (2) to the fullest extent allowed by any laws, the vessel owner and/or operator hereby waives all rights against the Treasure Island Parties and releases them from any and all Losses arising out of or in any way relating to the vessel anchoring in or using Clipper Cove.

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF PALMS, SECOND FLOOR
TREASURE ISLAND
SAN FRANCISCO, CA 94130
274-0660 – PHONE 415-274-0299 – FAX
WWW.SFTREASUREISLAND.ORG

CLIPPER COVE LONG TERM ANCHORAGE PERMIT

Pursuant to San Francisco Police Code Section 1.1, Clipper Cove is a Special-Use Area. It is unlawful to moor or anchor any vessel in Clipper Cove for more than 24 hours without a valid Anchorage Permit issued by the Treasure Island Development Authority (TIDA), and it is unlawful for any person to moor or anchor any vessel in Clipper Cove for more than 24 hours after revocation of expiration of such Anchorage Permit. Violation of Police Code Section 1.1 is a misdemeanor and vessels moored or anchored in violation of Section 1.1 are subject to removal.

The vessel named below is permitted anchorage in Clipper Cove subject to compliance with all terms and conditions of the Clipper Cove Rules and Regulations throughout the permitted term of this Long Term Anchorage Permit. The named vessel shall leave Clipper Cove no later than the Permit Expiration Date indicated below. Failure to comply with any of the Clipper Cove Rules and Regulations shall be cause for revocation of this Long Term Anchorage Permit by TIDA.

Vessel CF: _____

Vessel Name: _____

Vessel Owner: _____

Permit Expiration Date: _____

Issued By: _____

Date of Issuance: _____
Permit #: _____

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF PALMS, SECOND FLOOR
TREASURE ISLAND
SAN FRANCISCO, CA 94130
274-0660 – PHONE 415-274-0299 – FAX
WWW.SFTREASUREISLAND.ORG

NOTICE OF VIOLATION

THIS VESSEL IS MOORED OR ANCHORED IN VIOLATION OF SAN FRANCISCO POLICE CODE SECTION 1.1 AND MUST BE REMOVED WITHIN 72 HOURS OF THE DATE AND TIME OF THIS POSTING. A VIOLATION OF POLICE CODE SECTION 1.1 IS A MISDEMEANOR. IF THIS VESSEL IS NOT REMOVED WITHIN 72 HOURS AFTER THE DATE AND TIME OF THIS NOTICE, IT WILL BE REMOVED BY THE TREASURE ISLAND DEVELOPMENT AUTHORITY OR ITS DESIGNEE. THE REGISTERED OWNER OF ANY VESSEL REMOVED AND STORED UNDER POLICE CODE SECTION 1.1 SHALL BE RESPONSIBLE FOR THE COST OF SUCH REMOVAL AND STORAGE.

DATE/TIME POSTED _____ VESSEL ID# _____

POSTED BY_____ AGENCY _____ SIGNATURE_____

TREASURE ISLAND DEVELOPMENT AUTHORITY (415) 274-0660
SFPD MARINE UNIT (415) 409-1020

CITY & COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

NOTICE OF REMOVAL OF VESSEL

[Date]

[Address]

Dear _____,

A **[description]** vessel with the California registration # CF_____, of which you are the registered or legal owner, is currently **[actual or proposed storage location of vessel].** This vessel was removed from **[location]** in Clipper Cove on Treasure Island due to it being found in violation of San Francisco Police Code Section 1.1 on **[date]** and it remaining in violation for a period of 72 hours after a Notice of Violation was attached to the vessel. More specifically, the vessel was found **[specific reason for removal].** Please be advised that the Treasure Island Development Authority (TIDA) intends to initiate lien sale proceedings against the vessel with the intent to dispose of the vessel completely if it is not claimed in accordance with San Francisco Police Code Section 1.1.

As the registered or legal owner of the vessel, you may still claim your vessel within 15 days of the date of this Notice. As the registered or legal owner of the vessel you are first responsible to TIDA for payment of **[specify costs incurred for removal and storage of vessel].**

As the registered or legal owner of the vessel, you or any other person known to have an interest in the vessel shall have the opportunity for a Post-Removal Hearing before TIDA, or its designee, to determine the validity of the removal and storage if a request for a hearing is made to TIDA in person, by telephone, by email, or by regular mail within 10 days from the date of this Notice. If the registered or legal owner or any other person known to have an interest in the vessel disagrees with the decision of TIDA, or its designee, after the Hearing, he or she may seek review of the decision of TIDA, or its designee, pursuant to Section 11523 of the Government Code.

Should you have any questions or concerns, or if you wish to claim your vessel, please contact TIDA via telephone at (415) 274-0660, via U.S. Mail at One Avenue of Palms, Second Floor, Treasure Island, San Francisco, CA 94130, via email at Peter.Summerville@sfgov.org, or in person at the TIDA Office on Treasure Island during regular weekday business hours.

Sincerely,

Mirian Saez
Director of Island Operations

CC: Office of the City Attorney
File
San Francisco Police Department Marine Unit

Attachment G
Text of CA Government Code Section 11523

11523. Judicial review may be had by filing a petition for a writ of mandate in accordance with the provisions of the Code of Civil Procedure, subject, however, to the statutes relating to the particular agency. Except as otherwise provided in this section, the petition shall be filed within 30 days after the last day on which reconsideration can be ordered. The right to petition shall not be affected by the failure to seek reconsideration before the agency. On request of the petitioner for a record of the proceedings, the complete record of the proceedings, or the parts thereof as are designated by the petitioner in the request, shall be prepared by the Office of Administrative Hearings or the agency and shall be delivered to the petitioner, within 30 days after the request, which time shall be extended for good cause shown, upon the payment of the cost for the preparation of the transcript, the cost for preparation of other portions of the record and for certification thereof. The complete record includes the pleadings, all notices and orders issued by the agency, any proposed decision by an administrative law judge, the final decision, a transcript of all proceedings, the exhibits admitted or rejected, the written evidence and any other papers in the case. If the petitioner, within 10 days after the last day on which reconsideration can be ordered, requests the agency to prepare all or any part of the record, the time within which a petition may be filed shall be extended until 30 days after its delivery to him or her. The agency may file with the court the original of any document in the record in lieu of a copy thereof. If the petitioner prevails in overturning the administrative decision following judicial review, the agency shall reimburse the petitioner for all costs of transcript preparation, compilation of the record, and certification.

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
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2ND FLOOR, TREASURE ISLAND
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WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

ITEM 7, EXHIBIT C

Clipper Cove Rules and Regulations

These Clipper Cove Rules and Regulations govern the use, mooring, anchoring and occupancy of vessels in Clipper Cove at former Naval Station Treasure Island. Pursuant to San Francisco Police Code Section 1.1, Clipper Cove is a Special-Use Area requiring a valid Anchorage Permit issued by the Treasure Island Development Authority (TIDA) for stays in excess of 24 hours. Police Code Section 1.1 was adopted in order to address the threat to public safety posed by unattended vessels anchored in Clipper Cove for extended periods of time and to preserve the Clipper Cove ecosystem from potential harmful release of waste and toxics.

TIDA has adopted the Clipper Cove Anchorage Permit Policies and Procedures (the "Permit Procedures") to govern the process for the issuance of Short-Term Anchorage Permits and Long Term Anchorage Permits (collectively. "Anchorage Permits") to anchor in Clipper Cove. These Rules and Regulations shall be incorporated by reference into every Anchorage Permit issued by TIDA. These Rules and Regulations must be observed at all times. Failure to comply with the Rules and Regulations is grounds for TIDA to deny issuance of an Anchorage Permit under the Permit Procedures or to revoke an issued Anchorage Permit.

TIDA reserves the right for the Director of Island Operations to amend these Rules and Regulations to facilitate the overall objectives of the Permit Procedures and these Clipper Cove Rules and Regulations as deemed necessary to comply with the intent of the Ordinance.

Rules and Regulations

1.) All vessels must have current registration and furnish proof of such upon request.

2.) All vessels must be in a seaworthy condition at all times during anchorage in Clipper Cove.

3.) All vessels must posses a functioning, fully contained on-board waste collection and sanitary system. On-board waste collection and sanitary systems must be permanently installed and of a standard on-vessel nature and design.

4.) No person may live aboard any vessel anchored in Clipper Cove. This prohibition against living aboard vessels shall not prevent the use of vessels in Clipper Cove for eating and sleeping

purposes during any period that the vessel is moored or anchored in Clipper Cove compliance with the Permit Procedures, these Rules and Regulations and Police Code Section 1.1.

5.) All vessels must have a propulsion engine capable of carrying the vessel out of Clipper Cove.

6.) Proof of vessel ownership must be provided upon request.

7.) All vessels must permit sanitary, safety and seaworthiness inspections when requested by TIDA or the SFPD Marine Unit.

8.) Pumping of vessel sanitary systems into Clipper Cove or placing waste or refuse of any kind in Clipper Cove are prohibited at all times.

9) Vessel owners shall be responsible for all equipment and appurtenances associated with the vessel.

10.) Clipper Cove is designated a No Wake Zone and no speeds above 5 MPH are allowed.

11.) Vessels shall not anchor in a way so as to pose a navigational hazard to other vessels attempting to enter, exit or navigate in Clipper Cove.

12.) Mooring lines must be sufficient to keep vessels safely and securely anchored at all times while in Clipper Cove.

13.) Vessel owners, vessel operators and vessel occupants shall not create any annoyance, nuisance or hazard to Clipper Cove or to any other persons or vessels located therein.

14.) Mooring and anchorage of vessels in Clipper Cove is at the sole risk of the vessel operator and vessel owner.

15.) Vessel owners, vessel operators and vessel occupants shall comply with the following Rules and Regulations governing public access to Clipper Cove Beach:

- Clipper Cove Beach public access hours are from sunrise to sunset.
- Overnight camping is prohibited.
- Fires are prohibited.
- Littering is prohibited.

16.) Vessel owners, vessel operators and vessel occupants shall at all times comply with all applicable municipal, county, state and U.S. Coast Guard laws and regulations.

CITY & COUNTY OF SAN FRANCISCO

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

Draft Minutes of December Board Meeting
Treasure Island Development Authority
December 9, 2009

San Francisco City Hall
Room 400
San Francisco, CA

Gavin Newsom, Mayor

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12/9/09
draft

1. Call to Order 4:06 P.M.

Roll Call

Present at Roll Call
Owen Stephens, *President*
Jean-Paul Samaha
Helen Nigg, *Secretary*
John Rahaim

Arrived after Roll Call
John Elberling, *CFO*
Claudine Cheng
Douglas Shoemaker

Excused
Supervisor Chris Daly

2a. Director's Report

Director Saez reported that crime was down in November - to a single robbery. She attributed this to a combination of increased resident awareness of surroundings, better community policing, and removal of some problematic families by the various housing providers. She pointed out that this month's newsletter included SF Safe's flyer on steps residents can take to be safe during the holiday season.

Ms. Saez stated that, as a result of the Board of Supervisors approval of the Clipper Cove legislation, TIDA would be presenting the rules and regulations to the TIDA Board for approval. Once passed, they will be implemented before the January rains.

Ms. Saez updated the Board on the Childcare Center, which is currently being run by Head Start through San Francisco State University. This will be ending December 31, 2009 because funding was not secured to continue it.

On December 2nd, 2009, Catholic Charities approved taking over the operation of the Child Development Center on TI beginning January 1, 2009. TIDA will subsidize the operation from January to June. Catholic Charities, a TIHDI member organization, anticipates being fully funded through grants, donations, and fund-raising. They believe that a child development center on the Island was in keeping with their mission to serve the most vulnerable of the community. They will also accept enrollment from fair market families.
Twenty used bus shelters have arrived from MUNI and been installed – replacing the shelters that had been installed while the Island was still an active Navy base. MUNI also discontinued the Townsend Street/Safeway stop effective December 5th. TIDA is in discussion with MUNI Director regarding the elimination of the route that stopped at 4th and Townsend streets which provide residents the ability to grocery shop before returning to the Island.
Two quick items: there was one new commercial lease signed which will generate $32,000 annually; and issues surrounding the installation of camera at the Front Gate have been resolved.
Two fun notes: the Golden Gate Audubon Society will hold its annual Christmas Bird Count on TI December 20th; and Governor Arnold Schwarzenegger held a press conference on the Island with Google to launch Google Earths new application.
There was no public comment.

2b. Report by Office of Economic & Workforce Development
Mr. Jack Sylvan stated that there had been an excellent meeting last week with FHWA and Caltrans where both stated verbally that the –YBI Ramps Improvement Project be eligible for federal dollars. This will pay for about 90 percent of the costs going forward – both design and construction. This will not only include funding for the ramps but also the nine viaducts along Treasure Island Road. He anticipates receiving written confirmation within the first quarter of the new year.
Mr. Sylvan reported that he now anticipated the draft Environmental Impact Report (EIR) to be completed and issued by March and not in January as he had reported in November.
In terms of progress with the Navy Mr. Sylvan said he was seeing some progress. He had met with Navy personnel recently in San Diego and is hopeful that there will be agreement on business terms within the next two months.
There was no public comment.

2c. Report form the Treasure Island/Yerba Buena Island Citizen's Advisory Board
There was no report given.

3. Communications
Communication items include: John Stewart Co.'s October 2009 Percentage Rent Report, the December Island Newsletter, letters of recognition to those individuals who made contributions to November's reception, and some news items – primarily that *Trauma* is continuing to shoot episodes.

4. Ongoing Business by Directors
Director Rahaim acknowledged and thanked Staff and those individuals who made contributions for the reception following the November Board meeting.

5. General Public Comment

There was no public comment.

6. Consent Agenda
There was no public comment on the Item.
Director Rahaim motioned for approval.
The Consent Agenda Item passed unanimously.

7. Resolution Approving and Authorizing Clipper Cove Anchorage Permit Policies and Procedures and Rules and Regulations.
Mr. Peter Summerville, Treasure Island Development Authority, reviewed the history of this resolution. These regulations are the final step from the BOS-approved legislation making it a citable misdemeanor to anchor in Clipper Cove beyond a specific time period if there is no permit from TIDA and allowing TIDA to remove these vessels.
Those individuals anchoring less than 24 hours have no requirements. Those anchoring between 24 and 96 hours have to notify TIDA – either by phoning or by email – with the specifics of their stay.
A permit is needed for stays between 96 hours and 21 days. This permit application must be presented in person at TIDA offices. Project Staff will issue an anchorage permit once the application has been reviewed. The permit must be kept on the vessel and can be presented if asked for. There is a provision to request extensions for special situations.
Director Cheng asked about monitoring mechanism for the permit. Mr. Summerville said there would be a log maintained and that there would be coordination between Project Staff and the Marina staff.
If the vessel stays beyond 24 hours without a permit, or if any of the rules are broken, the SFPD Marine Unit will be notified, a citation issued, and the permit revoked. The vessel will need to be removed in 72 hours, after which TIDA can move the vessel and begin disposal procedures.
Director Saez added that the legislation is necessary because of abandoned vessels, vessels being stored in the Cove, and vessels not having proper sanitary systems which were environment al hazards – all of this resulting in unanticipated expenditures.
Director Rahaim asked if people would be allowed to live on the vessel during their stay. Ms. Saez said that they would be allowed to live on board during their stay.
Director Nigg expressed support for the Resolution and asked how many boats were possibly involved in this process, what costs would be involved and whether there would be any liability. Ms. Saez stated that there were approximately 12 vessels; that TIDA was already liable for the removal of sunken vessels; and that costs could be reduced by the sale of the vessel.
Director Samaha asked how to flag potential problem vessels. Mr. Summerville said that there is the visual inspection and that the SFPD Marine Unit does make rounds and could check. He stated that, once a problem was noticed, it would be dealt with immediately.
Ruth Gravanis voiced support for the resolution. She added that she hoped boaters would be made aware of the ecological value of Clipper Cove – specifically avoiding the eel grass beds – through a handout or appropriate signage. She also added that educating people about the need for dogs to be kept on leash at Clipper Cove Beach and the need not to trample native vegetation.
Director Cheng motioned for approval.
The Item passed unanimously.

8. Possible Closed Session

There was no public comment on the proposed Closed Session.
Director Samaha motioned to move to closed session.
The TIDA Board went into Closed Session at 2:17 PM.
Closed Session Attendees:
Jack Sylvan, Office of Economic & Workforce Development
Michael Tymoff, Office of Economic & Workforce Development
Jon Yolles, Office of Economic & Workforce Development
Mirian Saez, Director of Island Operations
Peter Holm, TIDA Board Secretary
Eileen Malley, Office of the City Attorney
The TIDA Board returned to Open Session at 3:25 PM.
Director Stephens motioned not to disclose the Closed Session discussion.
The Board unanimously voted not to disclose the Closed Session discussion.

9. Discussion of Future Items by Directors
There was no discussion of future items.

10. Adjourn
The meeting was adjourned at 3:26 P.M.